



City of North Miami Beach, Florida

Comprehensive Annual
Financial Report
For the Fiscal Year
Ended September 30, 2020

2020



**CITY OF NORTH MIAMI BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Prepared by the Finance Department

Janette Smith, CPA, Chief Financial Officer
Marcia Fennell, Finance Director
Racquel Lopez, Assistant Finance Director
Marc Maxy, Finance Coordinator
Karen Shields, Finance Coordinator

CITY OF NORTH MIAMI BEACH, FLORIDA

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I. INTRODUCTORY SECTION

City of North Miami Beach, Florida



April 30, 2021

To the Citizens, Mayor, and City Commission of the City of North Miami Beach:

We are pleased to submit the Comprehensive Annual Financial Report (“CAFR”) of the City of North Miami Beach, Florida, for the fiscal year ended September 30, 2020. The CAFR is issued pursuant to Florida Statute 218.39(1) which requires municipalities meeting certain criteria to have an annual financial audit of its accounts and records by an independent certified public accountant in accordance with rules of the Auditor General within nine months of the close of each fiscal year.

This report consists of management's representations concerning the finances of the City of North Miami Beach. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of North Miami Beach's financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Caballero Fierman Llerena + Garcia, LLP, a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2020, were free of material misstatement. An independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon their audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City of North Miami Beach's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The report of the independent certified public accountants is presented as the first component of the financial section of this report.

The CAFR is used to assist in making economic decisions, and to assist citizens in assessing accountability and transparency by:

- Assessing financial condition and results of operations;
- Comparing actual financial results with legally adopted budgets, where appropriate;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

This report includes all funds of the City as well as criteria for defining the financial reporting entity of the City as promulgated by the Governmental Accounting Standards Board (GASB). The GASB is the official standard setting body of the accounting principles generally accepted in the United States of America as it applies to local governmental units.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of North Miami Beach's MD&A can be found immediately following the report of the independent certified public accountants.

Profile of the Government

The City of North Miami Beach was incorporated on October 4, 1926 and operates under a Commission - Manager form of government. The City Commission is comprised of the Mayor and six Commission members. Together they are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of various advisory boards, the City Manager, City Attorney and City Clerk. As Chief Administrative Officer, the City Manager is responsible for the enforcement of laws and ordinances; appointing and supervising the department directors of the City; submitting the proposed annual budget; advising Commission as to the financial condition of the City; and overseeing the day-to-day operations of the City.

The City of North Miami Beach is a first-tier suburb covering an area of five and a third square miles located in northeastern Miami-Dade County, which is in the southeast part of Florida. The City is strategically located midway between Fort Lauderdale and Miami. 163rd Street is the most heavily traveled east to west corridor in Miami-Dade County as it is the gateway to both the Oleta River State Park and the beaches, and the Golden Glades Interchange: the convergence of five major roadways serving eastern and southern Florida, including Florida's Turnpike, the Palmetto Expressway (State Road 826), and Interstate 95 (I-95). 163rd Street also intersects with Biscayne Boulevard and U.S. Route 1 (US1). In the immediate vicinity of the City are two large higher education campuses: Florida International University's (FIU) Biscayne Bay Campus and Nova Southeastern University's Fischler Graduate School.

Based on the number of parcels, the City is primarily a residential and shopping community. Single-family and multi-family residential uses amount to 53.2% and 6.4%, respectively. Commercial uses and industrial development represent 15% and 3%, respectively, of the City's land parcels. Actual manufacturing activities are limited to a few small fabricating enterprises. Recreational uses and conservation lands represent 2.7% and 12.6% of the City's land parcels respectively. The remaining land area is occupied by schools, churches and other related establishments.

The City of North Miami Beach provides a full range of municipal services for its citizens. These include public safety (fire protection is provided by Miami-Dade County), water, sewer, and stormwater utilities, public works, parks and recreation facilities, public library, code compliance, planning and zoning, economic development, and general and administrative services. A franchise contractor provides the City's sanitation services.

The *North Miami Beach Community Redevelopment Agency (the CRA)* was created by the Mayor and City Commission on December 21, 2004 by adoption of Resolution R2004-86 accepting a delegation of powers from the Miami-Dade Board of County Commissioners and declaring the Mayor and City Commission to be the Agency in accordance with Section 163.357 of the Florida Statutes under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. Miami-Dade County retains the final authority to approve the annual CRA budget, redevelopment plan and amendments, and the issuance of long-term debt. The City Commission acts as the CRA's Board of Directors, the Mayor is the Chairman and the City Manager is the Executive Director. The purpose of the CRA is the elimination and prevention of blight conditions within the designated community redevelopment area. The CRA is a special revenue fund of the City of North Miami Beach and, therefore, has been included as a blended component unit and integral part of the attached financial statements. Additional information on this component unit can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City of North Miami Beach's financial planning and control. All departments of the City submit requests for appropriation to the City Manager and these requests are the starting point for developing a proposed budget. The City Manager, thereafter, proposes a budget to the Commission for review. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department (e.g., police). No department may legally expend in excess of amounts appropriated for that department within an individual fund. The City Manager may make transfers of appropriations within a department and to a department from the contingency account. The City Commission approves supplemental appropriations; however, the City Manager is granted authority to amend, modify, or otherwise adjust the annual budget to a maximum limit of \$50,000 per individual occurrence. Budget-to-actual comparisons are provided in this report for the general fund and for each non-major governmental fund for which an appropriated annual budget has been adopted. For the General Fund and CRA, this comparison is presented as part of the required supplementary information.

Factors Affecting Financial Condition

Local economy. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of North Miami Beach operates. From a global perspective, the Congressional Budget Office (CBO) projects real GDP (gross domestic product) to decline over the next several years from the current rate of 3.7% to around 2.3% over the next several years and 1.6% over the years 2026-2031. The change in the inflation rate is expected to hover between 1.8% and 2.1 % over the next ten years. The annual average unemployment rate is projected to decrease from the current level of 5.7% to around 4.1% to 4.2% over the same period. The Florida Economic Estimating Conference published statistics in November 2020 indicating GDP for the State to remain fairly consistent between 1.6% and 2.4% over the ten-year period from 2021 to 2030. The civilian unemployment rate estimates remain relatively low between 3.7% to 4.1% over the same period.

The City is undergoing a renaissance period, demonstrated by a significant increase in new construction, increase in home values and a decrease in unemployment. In fact, the City has begun to see sustained growth in property values as there have been increases in each of the past five fiscal years. The development climate in the City is very positive as evidenced by the building permit revenue over the past several years. Management expects new growth and development to continue in the near future based on developer interest in the area.

Long-term financial planning. Financial planning continues to be of the utmost importance to the City, including the development of the City's Strategic Plan. During 2014, the City Commission developed its inaugural Strategic Plan, which established a Vision, a Mission and Goals. The Strategic Plan was updated during the spring of 2017. The current plan prioritizes policy and management agendas to provide focus for the City's long-term financial planning. The goals of the City's Strategic Plan include:

- Financially Sound City Government
- The Place to Live: Beautiful, Safe and Livable
- High Performing City Organization Providing Great Customer Services
- Revitalized Downtown and Major Corridors

Financially Sound City Government. The City's commitment to maintaining a Financially Sound City Government is demonstrated through substantial capital investment and maintenance programs. Unassigned fund balance is a useful measure for the City's current financial resources available for discretionary spending. This will ensure the City will have sufficient funds for future expected and unexpected events. For the fiscal year ended September 30, 2020, the General Fund unassigned fund balance was \$18.0 million, a decrease of 38.4 % below the prior year of \$29.2 million. The City has appropriated \$9.4 million of the unassigned fund balance for next year's capital improvement program in the fiscal year 2021 budget. The \$1.7 million reduction in the balances results from a necessary accounting adjustment as a result of implementation of a new utility billing system.

High Performing City Organization Providing Great Customer Services. The City has invested significant capital to enhance the services provided to customers through the development and promotion of the most qualified and motivated individuals to perform the duties and responsibilities required to make the City of North Miami Beach best in class. Some of the investments in human capital include the implementation of leadership development and training programs, the expansion of onboarding/orientation, and the expansion of wellness initiatives.

The Place to Live: Beautiful, Safe and Livable. The City continued implementation of the Parks and Recreation Master Plan including completion of Jack Chaiken Park and Hazel Fazzino Park. License Plate Readers were installed in strategic locations within the city to enhance traffic safety and assist with identification of vehicles reportedly involved in illegal activity. The City planted over 260 new trees and enhanced other plantings along Hanford Boulevard.

Revitalized Downtown and Major Corridors. The City is also committed to fostering an environment conducive to economic development, through the continued revitalization of the areas covered by the Community Redevelopment Agency (CRA). The City and CRA continue to work together to market the City and the redevelopment area to attract new businesses and improvement projects.

ACCOMPLISHMENTS AND INITIATIVES

► City Response to COVID

The City worked diligently to provide safe and sanitized facilities, including daily routine cleaning of the trolleys. Departments directly serving the public implemented social distancing measures; the City's face covering order has been rigorously observed; and daily temperature check-ins are in place for employees to access City facilities. Related departments partnered for "New Normal" education and inspections to encourage public compliance with City, County, and nationally issued COVID-related directives.

A Parks Virtual Programming Platform was developed to engage our youth, and Summer Care was successfully implemented under "New Normal" and CDC guidelines. Four to six remote programs have been delivered daily to all age groups by the City's Library. A COVID-19 survey and resources package was developed by the CRA for the business community.

The City continues to feed families through home deliveries and distribution events, and we are currently working with local partners to provide COVID-19 testing and food distribution for seniors.

To help keep our youth connected, 15 drive-by caravan birthday and graduation celebrations were held. A Virtual Job Fair featured 20 businesses that were hiring, and over 500 children were registered for a Book Bag Delivery event. Citizenship courses, gatherings for practicing conversational English, and story times are among our virtual offerings.

We have successfully transitioned to virtual meetings, enabling public participation to continue without interruption at our policy meetings.

A dedicated COVID hotline was established to provide callers with up-to-date information about City services and operations during the pandemic. Initially also a medium for keeping residents aware of City operations during the pandemic, Let's Talk NMB later became a forum for discussing a number of topics and featured over 40 community guests. We cultivated new partnerships with many local and national partners, who shared our vision for community engagement during the pandemic.

This summary reflects that our team has been extremely flexible and effective in responding to the pandemic, working within its confines and maintaining a high level of customer engagement with our community.

EXCEPTIONAL MUNICIPAL SERVICES

► Key Accomplishments

This has been a year of significant large-scale initiatives that are foundational to our providing exceptional municipal services for a long time to come. We have re-launched our annexation effort; implemented a Census 2020 community awareness program designed to achieve maximum count of all residents; adopted a new Strategic Plan; approved a citywide branding and marketing plan; conducted thorough, cross-departmental negotiations for our water contract; and began negotiations for the provision of solid waste collection and disposal.

We completed Mixed-Use Zoning Phase II Comprehensive Plan and Zoning Code Amendments. Approximately 12 land development applications were processed through to completion. Our Floodplain Management ordinance was approved. The City's e-permitting program was executed. Short-term rental enforcement was implemented via Host Compliance Software.

Jack Chaiken Park and Hazel Fazzino Park were completed, and our free, award-winning trolley service was expanded to Uleta. Our award of Road to Zero Grant allows for increased traffic calming efforts along neighborhood streets where there is higher-than-average speeding and cut-through traffic.

► Continuing Initiatives

The North Miami Beach Police Department (the PD) will continue initiatives that will keep our residents and neighborhoods safe from harm, improve quality of life and reduce crime. The PD will provide businesses and business owners with excellent service, engage our youth through our PAL (Police Athletic League) programs, and focus on community involvement. The Police Department is committed to adjusting resources and manpower according to current crime trends, increasing traffic enforcement, and working with communities to establish better communication.

The City will continue to invest in safety and security through the installation of security devices in strategic areas to assist in our primary efforts of making NMB and its surrounding areas safe and livable.

The PD will continue to employ best practices in investing Law Enforcement Trust Fund (LETF) as provided, and available, to provide for a safer community.

Ordinances related to Impact/Development Review Fees, Public Arts, Special Events, and Parking are in development.

Complete remediation of Mishcon Park is anticipated in Fiscal Year 2021.

Completion of work on the playground and Skate Park at Barry Schreiber Promenade is expected in Fiscal Year 2021.

Public Works will continue to invest in sidewalk improvements, street re-striping, and American with Disabilities Act (ADA) accessibility throughout our city, parks, and infrastructure.

The second phase of mixed-use zoning initiatives along the NE 167th to NE 163rd Street corridor was adopted by the City Commission in January 2021.

Development projects such as the Intracoastal Mall Mixed-use, Oleta House, and Echlad Holdings Mixed-Use are under review.

The City will continue the outreach efforts to ensure successful implementation of the Northeast Miami-Dade Transit Corridor and the creation of the North Miami Beach transit station through to final decision.

We are continuing the testing and implementation plan for EnerGov software, which will allow divisions to provide improved customer service and time-saving efficiencies. It will be expanded to include additional assistance with Rental Monitoring Services in Fiscal Year 2021.

Alternative enhanced recreational-related use of the Judge Arthur Snyder Tennis Center and Daniel Diefenbach Bicentennial Park are under consideration.

FINANCIAL RESPONSIBILITY

► Key Accomplishments

The City implemented a 24/7 cybersecurity monitoring solution to keep us safe from ransomware. For the 30th consecutive year, the GFOA Award for Excellence in Financial Reporting (2018) was awarded. For the 3rd consecutive year, the Distinguished Budget Presentation Award (2020) was achieved. The Comprehensive Annual Report for Fiscal Year 2019 was completed by external auditors with no concerns expressed. We continued advocacy to obtain reimbursement from FEMA for Hurricane Irma expenditures. We issued \$40 million par amount of water revenue bonds; an \$11 million sewer bank loan; and \$44.2 million in WIFIA bonds.

The City gained \$50,000 through the sale of surplus property deemed obsolete or no longer operational. We audited 315 contracts for renewal and/or compliance. Procurement efforts resulted in the achievement of \$2,272,000 in cost avoidance. Cost-containment was enhanced through the use of BidSync, our electronic bidding system. We have submitted requests for reimbursement for COVID-related expenses from Miami-Dade County (through the CARES Act) and from FEMA.

► Continuing Initiatives

The City will continue to:

- emphasize the use of cost-effective project management to ensure projects are completed on time and within budget.
- assess debt and cash balances to ensure objectives are obtained to ensure sound financial position.
- invest in new security initiatives which will help protect the City from financial harm because of cyberattacks.
- provide financial management advice and policy support to the Mayor and City Commission.
- update property and contents appraisal on an annual basis to ensure all properties are insured, thereby reducing the City's risk exposure.
- engage our pool of grant writers to seek and secure grant funding sources that will afford us an opportunity to augment and enhance programs, projects, and infrastructure.
- be fiscally responsible while monitoring spending and ensuring appropriate use of City funds.

The City's financing strategies will be implemented with assistance from the City's financial advisors, underwriters and bond counsel.

By following the Commission's directives to promote redevelopment, staff will ensure that new, well-planned and responsible growth and development will be encouraged. The development approval process will continue to be streamlined and applicant-friendly, leading to more development and ultimately, a more robust tax base.

Areas with development potential will be identified

Changes to the regulations that will foster redevelopment and benefit the City and its residents will be proposed.

ENVIRONMENTAL RESPONSIBILITY

► Key Accomplishments

The City has planted over 260 new trees in our swales and public rights of way. In addition to a Transportation Master Plan, we have adopted a Stormwater Master Plan, providing a roadmap to improvements in stormwater management and the citywide system, resulting in great health and safety benefits to city residents. The \$200,000 Hanford Tree Pit Project has been completed, assisting in stormwater management by reducing pollutant discharges and flooding. Over \$95 million in bonds/loans have been issued to fund capital improvements in our water and sewer systems.

► Continuing Initiatives

The Public Works Department will continue to modernize landscape irrigation systems, install water wells, and provide other low-cost water measures and water conservation initiatives.

ENGAGEMENT OF RESIDENTS AND BUSINESSES

► Key Accomplishments

We coordinated the first State of the City address since 2016, affording constituents an intimate opportunity to gather and hear directly from the Mayor about the exciting plans for NMB's future. We offered successful Monster Mash Bash (the first on 19th Avenue); Tree Lighting; Menorah Lighting; and Snow Fest.

The City continues to engage residents and businesses through a variety of platforms, including, but not limited to radio, television, newsletters (both print and email), web streaming, and social media (Twitter, Instagram, Facebook), Channel 77, recently replaced high definition digital signage boards, website, and Constant Contact. Higher levels of participation are generated through multilingual marketing to reach our diverse population. To establish a professional social network presence, we continue to cultivate our partnerships with Aventura Marketing Council, NMB Chamber of Commerce, Florida League of Cities, Miami-Dade County League of Cities, and Miami-Dade City and County Managers Association.

The OneNMB Concert Series attendance increased by 30% from the previous year. Events also included Shop with a Cop, WinterFest Toy Drive, and Staff Walks. Participants in the Explorer Program assisted in disseminating important public information and crime prevention tips.

NMB WorkShare opened at the Library to support entrepreneurial endeavors.

► Continuing Initiatives

Residents and business owners will be encouraged and enabled to participate in City government.

The City will strive for higher levels of participation in and attendance at City programs and events.

Residents, property owners, and businesses will be engaged through a variety of platforms, including but not limited to radio, television, newsletters (both print and email), web streaming, and social media.

The City will build university partnerships and establish professional social network presence.

Credibility will be reinforced by the provision of honest and responsive communications to help build trust and reliability with audiences.

ENGAGING OUR EMPLOYEES

Our employees are critical to the execution of our daily operations. We could not successfully carry out this mission without engaging our team of committed staff members.

► Key Accomplishments

Fifty-one employees were screened, hired, and onboarded. We put into effect a database for managing and tracking employment eligibility verification (I-9) and conducted a self-audit to confirm compliance.

We successfully established a schedule of shifts where applicable to reduce the number of team members in the same office. Antibacterial and antiviral cleaning and sanitizing has been coordinated for City facilities, based on the guidelines recommended by the CDC. Onsite COVID testing has been made available for all City employees. Safety protocols have been established for employees entering City facilities to reduce risk of transmission. City administrators have met with each department to provide employees with an opportunity to ask questions or express their concerns. There is a conference call each morning to provide a forum for senior managers to discuss any items so that regular communication is maintained during remote shifts.

We successfully implemented the IUPA Contract.

The City's health insurance renewals were presented to the City Commission and preparations are being made for open enrollment for Fiscal Year 2021.

► Continuing Initiatives

The City will create a comprehensive compensation program.

An electronic fillable employment application is available on the City's website and an online application/applicant tracking system is being requested for Fiscal Year 2021.

The Human Resources Department will develop and promote the most qualified and motivated individuals to perform the duties and responsibilities required to make the City of North Miami Beach best in class, i.e. implement leadership development and training programs, expand onboarding/orientation, establish team building, expand wellness initiative, and implement engagement survey. (Trainings are on hold because of the pandemic.)

A draft of a City-wide safety manual has been created and a Safety Committee consisting of representatives from different departments has been established; finalization of the manual is pending.

To provide greater financial transparency and accountability, the City has invested in an "Enterprise Resource Planning" (ERP) system which will replace the City's legacy computer systems with a modern, integrated financial and information management system. The General Ledger suite of applications, the Payroll module, and the procurement card module are fully functional. Current resources are focused on implementation of the Energov module for planning, zoning and permitting; Employee Self-service, cashiering for all city departments and the Human Resources module.

The City will strive to attract, retain, and recruit the most qualified candidates to ensure the right person is in the right job at the right time. A compliant and customer centric workplace focused on being Employer of Choice will be ensured.

Relevant financial policies

Fund Balance Policy

Governmental Accounting Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* establishes various classifications of fund balances based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances can be classified as non-spendable, restricted, committed, assigned and unassigned. Committed fund balances can only be used for specific purposes determined by formal action of the City Commission through an ordinance or a resolution and may be changed or lifted only by the City Commission through formal action. Assigned fund balances are amounts that the City intends to use for a specific purpose but are neither restricted nor committed. Unassigned fund balance can be viewed as the net resources available at the end of the fiscal year.

The City’s fund balance policy requires a minimum unassigned general fund balance of at least 10% of budgeted revenues. It is the City's policy to consistently add to the fund reserves each year and in Fiscal Year 2020 that policy continued.

Investment Policy

The City administers a comprehensive cash management and investment program. The primary goals of the program are to maximize the amount of cash available to meet daily cash requirements and to obtain the highest possible yields consistent with restraints imposed by Florida Statutes and the City’s adopted investment policy for capital protection.

Millage Rate Policy

During fiscal year 2018, the City adopted a comprehensive millage rate policy to establish parameters whereby the operating millage rate may increase or decrease during the annual budget process. The policy is designed to ensure that the City remains in compliance with the Fund Balance Policy to provide rate stability and to avoid conditions of fiscal constraint and provides options for reducing excess unassigned fund balance in the General Fund.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Miami Beach for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. This was the thirty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We express our appreciation to all members of other departments who assisted and contributed to the preparation of this report. A special note of thanks and appreciation is also extended to our auditors, Caballero Fierman Llerena + Garcia, LLP, for their professional approach and high standards in the conduct of their independent audit of the City's financial records.

In closing, the Mayor and Commission's guidance and cooperation in planning and conducting the financial affairs of the City in a responsible and progressive manner is greatly appreciated. Without their leadership and support, preparation of this report would not have been possible.

Respectfully submitted,



Horace McHugh, Interim City Manager



Janette Smith, Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Miami Beach
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF NORTH MIAMI BEACH, FLORIDA

CITY OFFICIALS
SEPTEMBER 30, 2020

CITY COMMISSION

Anthony F. DeFillipo, Mayor

Paule Villard	Phyllis S. Smith
Fotuna Smukler	McKenzie Fleurimond
Barbara Kramer	Michael Joseph

CITY MANAGER

Esmond K. Scott

CITY ATTORNEY

Daniel Espino, Weiss Serota Helfman Cole & Bierman

CITY CLERK

Andrise Bernard, CMC

CHIEF FINANCIAL OFFICER

Janette Smith, CPA

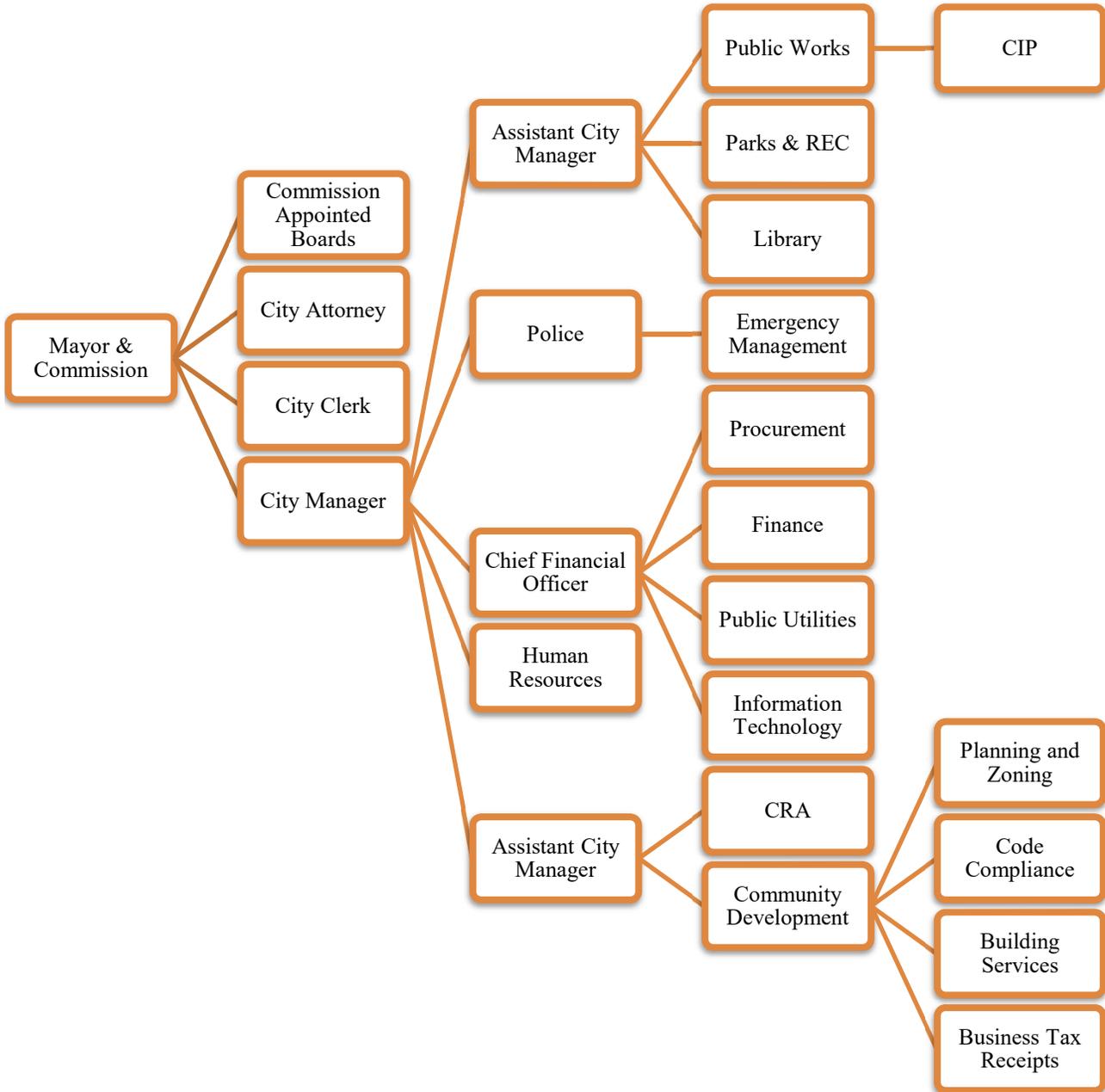
INDEPENDENT AUDITORS

Caballero Fierman Llerena + Garcia, LLP

CITY OF NORTH MIAMI BEACH, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2020





II. FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of North Miami Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Retirement Plan for General Employees of the City of North Miami Beach, which represents 36%, 35% and 19%, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Also, we did not audit the financial statements of the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach, which represents 45%, 44% and 27%, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Retirement Plan for General Employees of the City of North Miami Beach and the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues Expenditures and Changes in Fund Balance – Budget to Actual – General Fund and Community Redevelopment Agency Fund, and Pension and Other Post-Employment Benefits Schedules as listed in the table of contents on pages 19 to 36 and 100 to 111, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section, schedule of expenditures of federal awards, as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedules of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedule and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 30, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

As management of the City of North Miami Beach, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages 1 to 12 of this report.

Financial Highlights

- *Total net position* of the City of North Miami Beach decreased by \$13.5 million or 7.5% less than the prior fiscal year net position to \$165.5 million because of the COVID-19 pandemic and a sharp increase in the uncollectible accounts across all major funds except the Community Redevelopment Agency (CRA).
- *Total assets* increased by \$49.4 million or 13.7%. Governmental activities contributed \$0.4 million, while Business-type activities contributed \$49.0 million to the total as a result of debt proceeds that have yet to be invested in the water and sewer utility master plans. *Deferred outflows of resources* decreased by \$0.6 million, indicating slightly lower pension costs.
- *Total liabilities* increased by \$65.1 million or 32.1%. Governmental activities contributed \$8.9 million because of increasing pension and OPEB liabilities. Business-type activities contributed \$57.3 million reflecting the issuance of approximately \$61.0 million of new debt. *Current liabilities* increased by about \$9.8 million as a result of additional debt service payments due next fiscal year. *Deferred inflows of resources* decreased by \$2.9 million.
- *Total governmental activities revenues* decreased by about \$1.0 million, or 1.7% because the COVID-19 pandemic forced the closure of parks, pools and theater programs and fines and forfeiture revenues were affected by stay-at-home orders and curfews. Total governmental activities expenses increased by \$10.4 million primarily as a result of the aforementioned uncollectible accounts.
- *Total business-type activities revenues* were relatively flat increasing by \$1.5 million or 2.3% despite significant rate increases in the Water and Wastewater utilities. Late fees and cut-offs were suspended throughout much of the fiscal year because of the pandemic. Total business-type activities expenses increased by \$8.8 million or 15.5% primarily as a result of the adjustment for uncollectible accounts.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$46.6 million, a decrease of \$1.7 million below the prior fiscal year. Approximately 38.7% or \$18.0 million of this amount is available for spending at the City's discretion (*unassigned fund balance*).

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

- The City's Water Fund lost \$3.4 million, the Wastewater Fund lost \$2.1 million, the Solid Waste Fund lost \$0.6 million and the other enterprise funds reported combined net losses of \$0.2 million because of the pandemic and the adjustment to the uncollectible accounts. Although the Building Permit Fund was spared the adjustment to uncollectible accounts, all enterprise funds were negatively impacted by the pandemic.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of North Miami Beach's basic financial statements. The components of the basic financial statements include:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Other supplementary information is also included in this report. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB).

Government-wide financial statements:

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety, public services, parks and recreation services, code compliance, planning and zoning, economic development, and general and administrative services. The business-type activities of the City include water, sewer, and stormwater operations, sanitation services and building permitting.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

The government-wide financial statements include not only the City of North Miami Beach (known as the *primary government*), but also a legally separate community redevelopment agency for which the City is financially accountable. This *component unit* functions for all practicable purposes as a department and special revenue fund of the City and has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 37-38 of this report.

Fund financial statements:

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds:

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 39-42 of this report.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

Proprietary funds:

Proprietary funds are used when fees are charged to customers for the use of specific goods or services. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds:

Enterprise funds provide separate information for the water and wastewater operations and solid waste services, which are considered to be major funds of the City. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in this report

Internal service funds are used to accumulate and allocate costs for goods and services provided internally among the City's various funds and functions. Any net increase or deficiency in net position in the internal service fund is allocated back to the participating funds.

The basic proprietary fund financial statements can be found on pages 43-45 of this report.

Fiduciary funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary funds are accounted for in a manner similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 46-47 of this report.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Note 14 includes information regarding the Community Redevelopment Agency.

The notes to the basic financial statements can be found on pages 48-99 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI). The City adopts an annual appropriated budget for its General Fund and Community Redevelopment Agency. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget. Additional RSI displays the City's changes in net pension and OPEB liabilities and employer contributions to the various plans.

Required supplementary information can be found on pages 100-111 of this report.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

The combining statements referred to earlier in connection with non-major funds are presented immediately following the required supplementary information. Budgetary comparison schedules are included for non-major governmental funds that legally adopt budgets.

Combining statements and budgetary schedules can be found on pages 112-131 of this report.

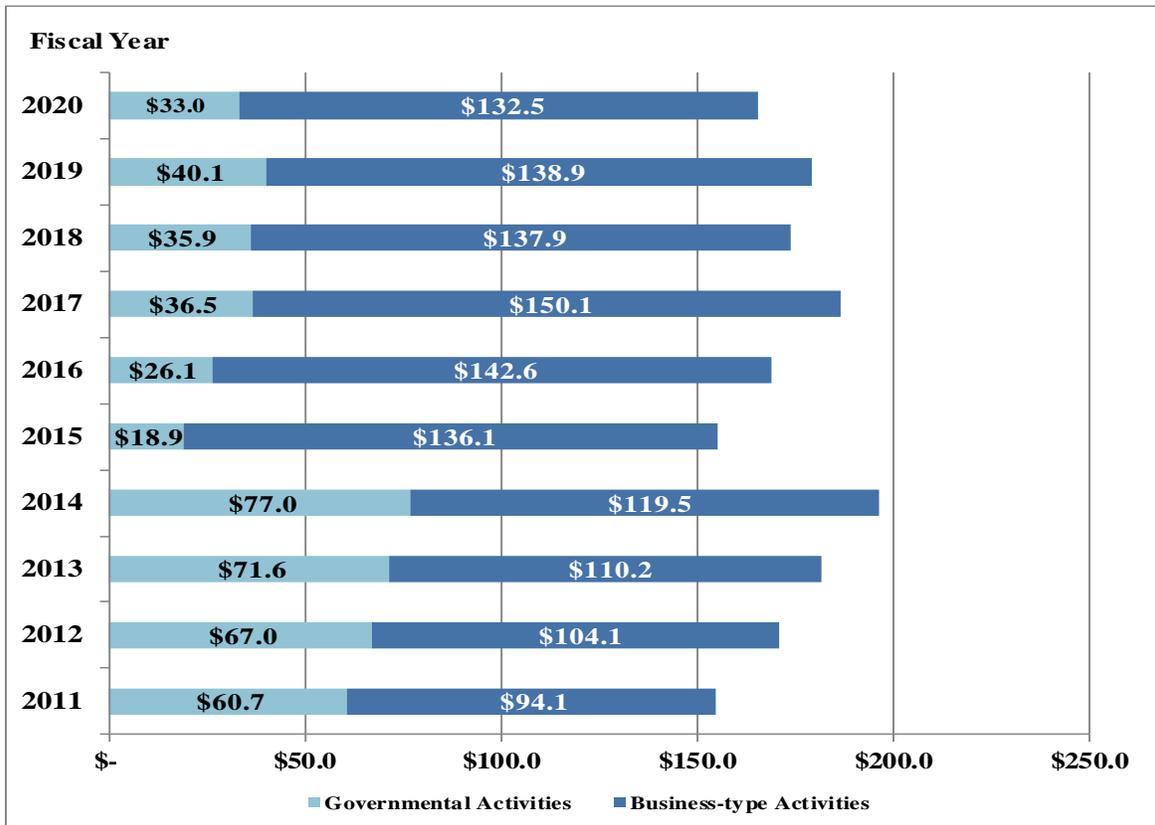
Government-Wide Financial Analysis

Net investment in capital assets - The largest portion of the City's net position (64.5%) reflects its investment in capital assets (e.g.; land, buildings, and equipment) less any outstanding debt used to acquire those assets. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position - Some of the City's net position (21.9%) is subject to external restrictions on how it may be used. These resources have been set aside for capital projects, debt service payments, and other contractual obligations.

Unrestricted net position - The City's unrestricted net position is \$22.6 million or 13.6% of total net position at September 30, 2020.

The following chart displays the City's **total net position** over the last ten fiscal years (in millions).



CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2020

Condensed Government-wide Statement of Net Position

The following chart provides a condensed statement of government-wide net position with comparative balances between the current and last fiscal year (in millions).

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets and Deferred						
<u>Outflows of Resources</u>						
Current	\$ 52.1	\$ 42.6	\$ 94.7	\$ 53.7	\$ 55.8	\$109.5
Non-current	-	0.3	0.3	-	0.3	0.3
Restricted assets	-	66.7	66.7	-	4.5	4.5
Capital assets, net	<u>72.8</u>	<u>175.1</u>	<u>247.9</u>	<u>70.8</u>	<u>175.1</u>	<u>245.9</u>
Total assets	<u>\$ 124.9</u>	<u>\$ 284.7</u>	<u>\$409.6</u>	<u>\$ 124.5</u>	<u>\$ 235.7</u>	<u>\$360.2</u>
Deferred outflows of resources	<u>\$ 22.1</u>	<u>\$ 2.2</u>	<u>\$ 24.3</u>	<u>\$ 22.6</u>	<u>\$ 2.3</u>	<u>\$ 24.9</u>
Liabilities and Deferred						
<u>Inflows of Resources</u>						
Long-term liabilities	\$ 104.8	\$ 131.8	\$236.6	\$ 99.9	\$ 81.4	\$181.3
Other liabilities	<u>8.5</u>	<u>22.5</u>	<u>31.0</u>	<u>4.5</u>	<u>16.7</u>	<u>21.2</u>
Total liabilities	<u>\$ 113.3</u>	<u>\$ 154.3</u>	<u>\$267.6</u>	<u>\$ 104.4</u>	<u>\$ 98.1</u>	<u>\$202.5</u>
Deferred inflows of resources	<u>\$ 0.7</u>	<u>\$ -</u>	<u>\$ 0.7</u>	<u>\$ 2.6</u>	<u>\$ 1.0</u>	<u>\$ 3.6</u>
Net Position						
Net investment in capital assets	\$ 57.6	\$ 80.3	\$137.9	\$ 51.9	\$ 104.5	\$156.4
Restricted	9.8	26.5	36.3	10.9	8.9	19.8
Unrestricted	<u>(34.4)</u>	<u>25.7</u>	<u>(8.7)</u>	<u>(22.7)</u>	<u>25.5</u>	<u>2.8</u>
Total net position	<u>\$ 33.0</u>	<u>\$ 132.5</u>	<u>\$165.5</u>	<u>\$ 40.1</u>	<u>\$ 138.9</u>	<u>\$179.0</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

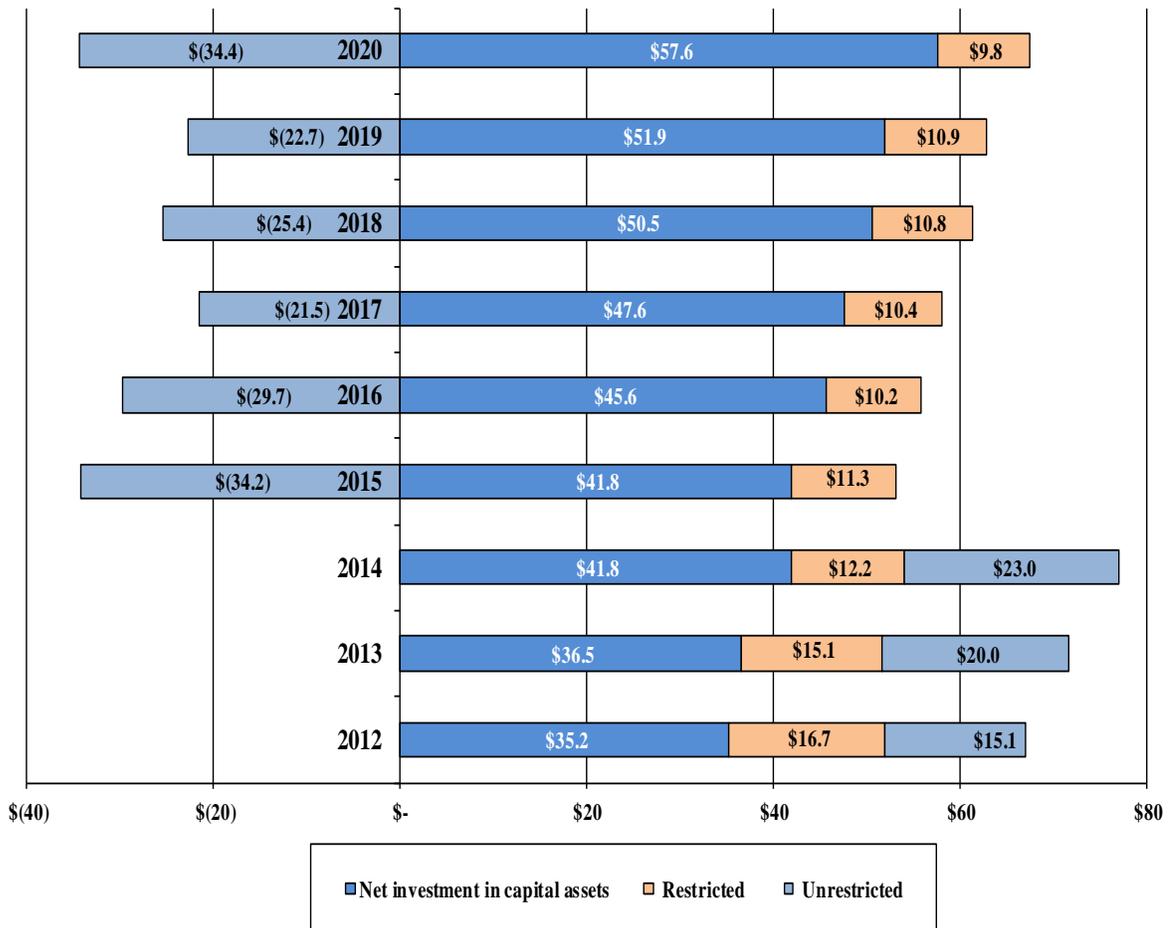
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
 SEPTEMBER 30, 2020

Governmental activities:

Net position of the City's governmental activities decreased by \$7.1 million resulting in a balance of \$33.0 million at the end of the current fiscal year. The COVID-19 pandemic dampened the collection of many user fees for parks programs, swimming pool attendance, theater programs and stay-at-home orders and curfews had a significant effect on the City's assessment of fines and forfeitures. Also during the current fiscal year, the City implemented a new utility billing system. The new system is able to age the amounts owed by customers; previously unavailable in the legacy billing system. The adjustments to the uncollectible accounts were significant in the Water, Wastewater, Stormwater, Solid Waste and General Funds.

Governmental activities Net Position (in millions)

Fiscal Year



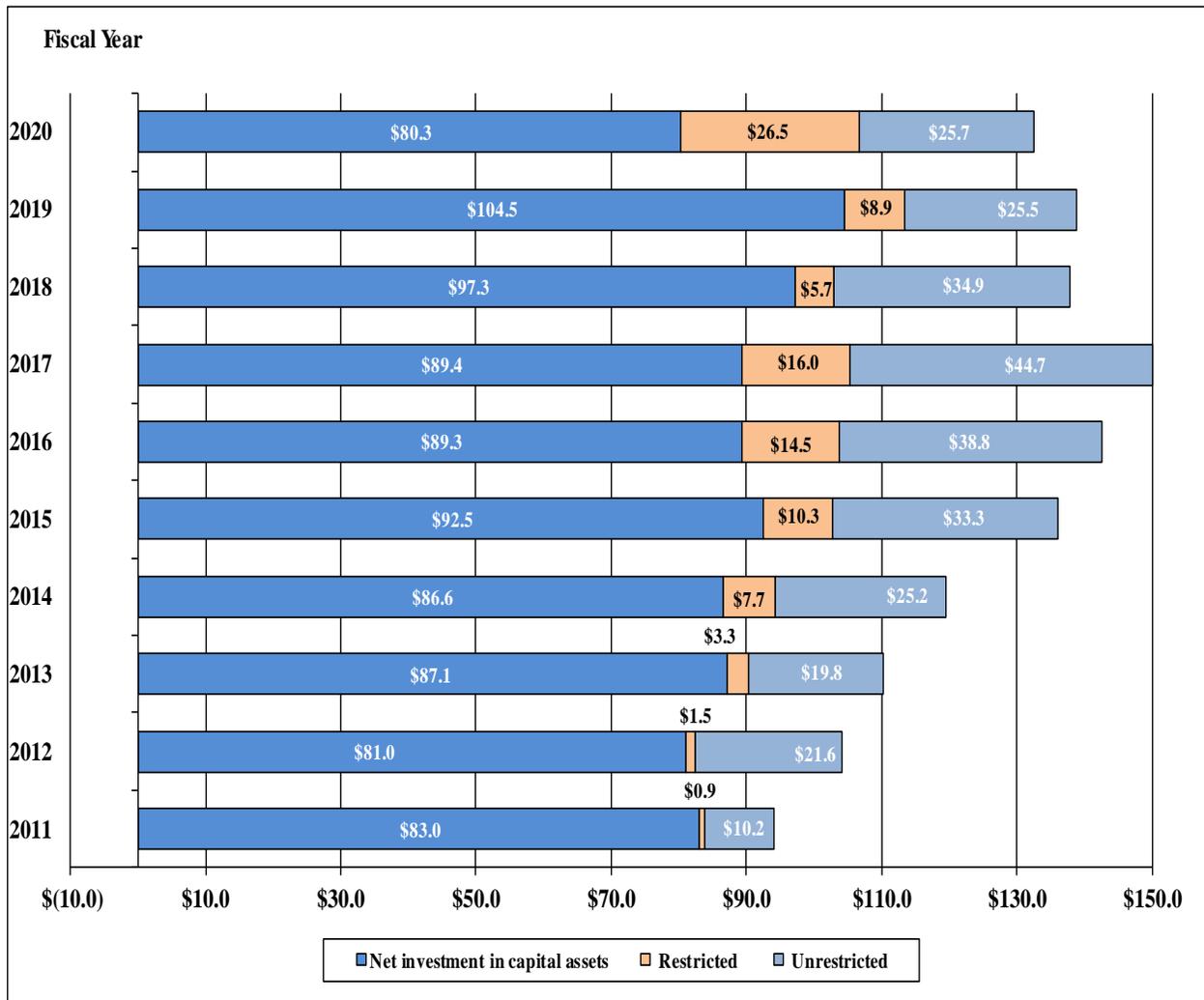
CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2020

Business-type activities:

The City's net position of the business-type activities decreased by approximately \$6.4 million or (4.6%) below the prior fiscal year amount. The pandemic and uncollectible account adjustments are the primary reasons for the losses. The City suspended the application of late fees and cut-offs for all customers for most of the fiscal year. Likewise, building permit activity was dampened by the stay-at-home orders.

Business-type Activities
Net Position (in millions)



CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

Government-wide Statement of Changes in Net Position

The following table provides a summary comparison of the government-wide statement of changes in net position between the current and last fiscal year as restated (in millions).

	2020			2019		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 3.5	\$ 58.4	\$ 61.9	\$ 4.8	\$ 57.5	\$ 62.3
Operating grants & contributions	1.2	-	1.2	2.1	-	2.1
Capital grants & contributions	0.2	-	0.2	0.4	-	0.4
General Revenues:						
Property taxes	21.7	-	21.7	19.7	-	19.7
Other taxes	21.9	1.3	23.2	22.1	1.5	23.6
Intergovernmental	6.5	-	6.5	6.1	-	6.1
Other miscellaneous	1.2	5.9	7.1	2.0	5.1	7.1
Total revenues	<u>56.2</u>	<u>65.6</u>	<u>121.8</u>	<u>57.2</u>	<u>64.1</u>	<u>121.3</u>
Expenses:						
General government	26.3	-	26.3	16.7	-	16.7
Public safety	31.6	-	31.6	30.4	-	30.4
Parks and Recreation	5.4	-	5.4	5.8	-	5.8
Public services	5.9	-	5.9	5.8	-	5.8
Interest on long-term debt	0.6	-	0.6	0.7	-	0.7
Water	-	39.1	39.1	-	35.9	35.9
Sewer	-	11.9	11.9	-	9.4	9.4
Solid Waste	-	11.0	11.0	-	8.3	8.3
Stormwater	-	1.4	1.4	-	1.2	1.2
Building permits	-	2.1	2.1	-	1.9	1.9
Total Expenses	<u>69.8</u>	<u>65.5</u>	<u>135.3</u>	<u>59.4</u>	<u>56.7</u>	<u>116.1</u>
Increase (decrease) in net position before transfers	(13.6)	0.1	(13.5)	(2.2)	7.4	5.2
Transfers	6.4	(6.4)	-	6.4	(6.4)	-
Change in net position	(7.2)	(6.3)	(13.5)	4.2	1.0	5.2
Net position - beginning	40.1	138.9	179.0	35.9	137.9	173.8
Net position - ending	<u>\$ 32.9</u>	<u>\$ 132.6</u>	<u>\$165.5</u>	<u>\$ 40.1</u>	<u>\$ 138.9</u>	<u>\$179.0</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
SEPTEMBER 30, 2020

Financial Analysis of the City's Funds

The City of North Miami Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the fund financial statements is on major funds, rather than fund types. Traditional users of the fund financial statements will find the fund financial statements presentation more familiar.

Governmental funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. The Governmental Funds presentation is designed to show the sources and uses of liquid resources. This is the manner in which the budget is typically developed. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's current financial resources available for discretionary spending.

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances (nonspendable, restricted, committed, assigned, and unassigned) of \$46.6 million, a decrease of \$1.7 million below the prior year. Approximately 2.2% of the fund balance of the governmental funds was in nonspendable form. In other words, the assets are not cash and will not be converted into cash. This classification includes items such as prepaid costs and inventory. The use of 21.9% of fund balance is restricted by third parties such as grantors, creditors or other governmental entities for specific types of expenditures and for mitigation of the effect of development on parks and public safety. The City Commission through ordinance or resolution has committed 7.1% of fund balance to be used for the specific purposes of alley restoration and disaster recovery. The City Manager has assigned approximately 30.1% of fund balance to be used for capital projects and equipment, land acquisition, liability and workers' compensation claims and expenditures for next fiscal year. *Unassigned fund balance* is the portion of fund balance that is available for spending at the City's discretion 38.7% of fund balance (\$18.0 million) constitutes unassigned fund balance.

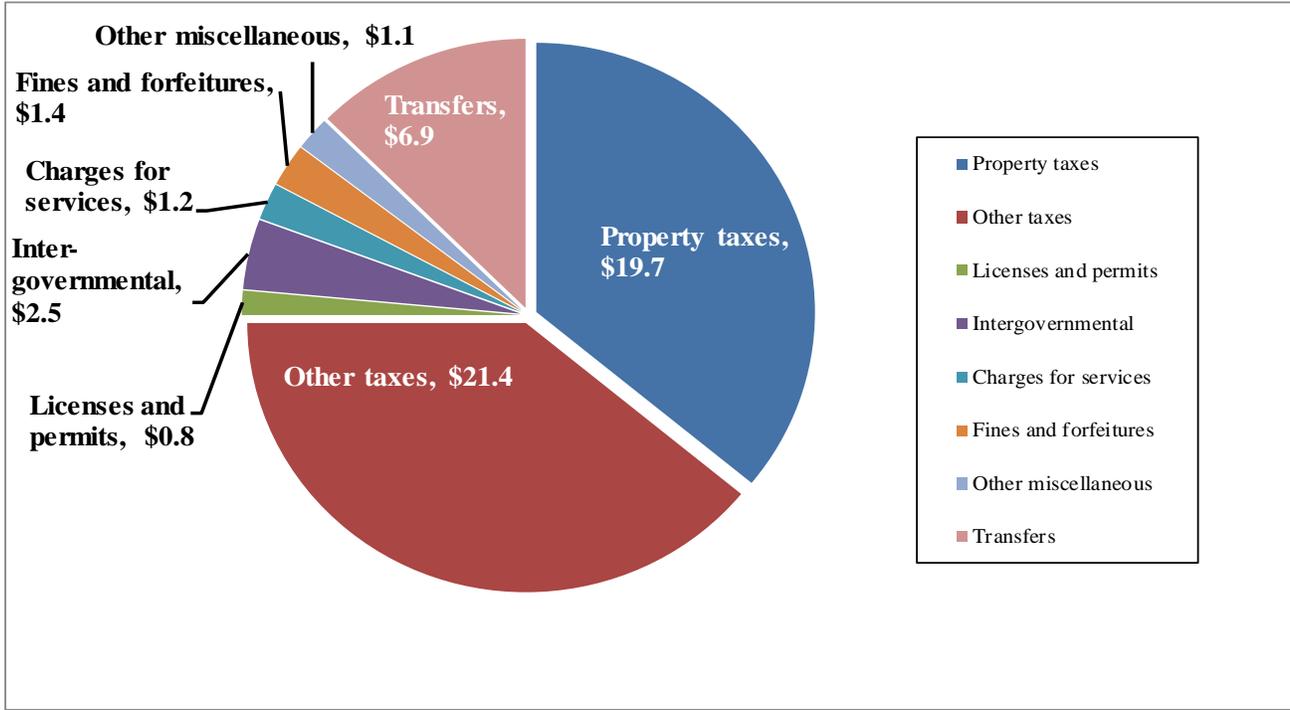
The General Fund is the chief operating fund of the City. All revenues and other receipts and expenditures, fixed charges and capital improvement costs that are not required by law or contractual agreement to be accounted for in another fund are accounted for in this fund. At the end of the current fiscal year, fund balance in the general fund is \$37.5 million. The unassigned fund balance of \$18.0 million constitutes 48.2% of total general fund balance which represents a decrease of \$11.1 million or 38.2% below the prior year. The CRA is a blended component unit. Its fund balance increased by \$1.2 million as a result of increased tax collections.

Total General Fund revenues decreased \$0.8 million below last fiscal year. The following graphics display (in millions) the classifications of revenues relative to the total fiscal year 2020 general fund revenues and relative to the fiscal year 2019 General Fund revenues.

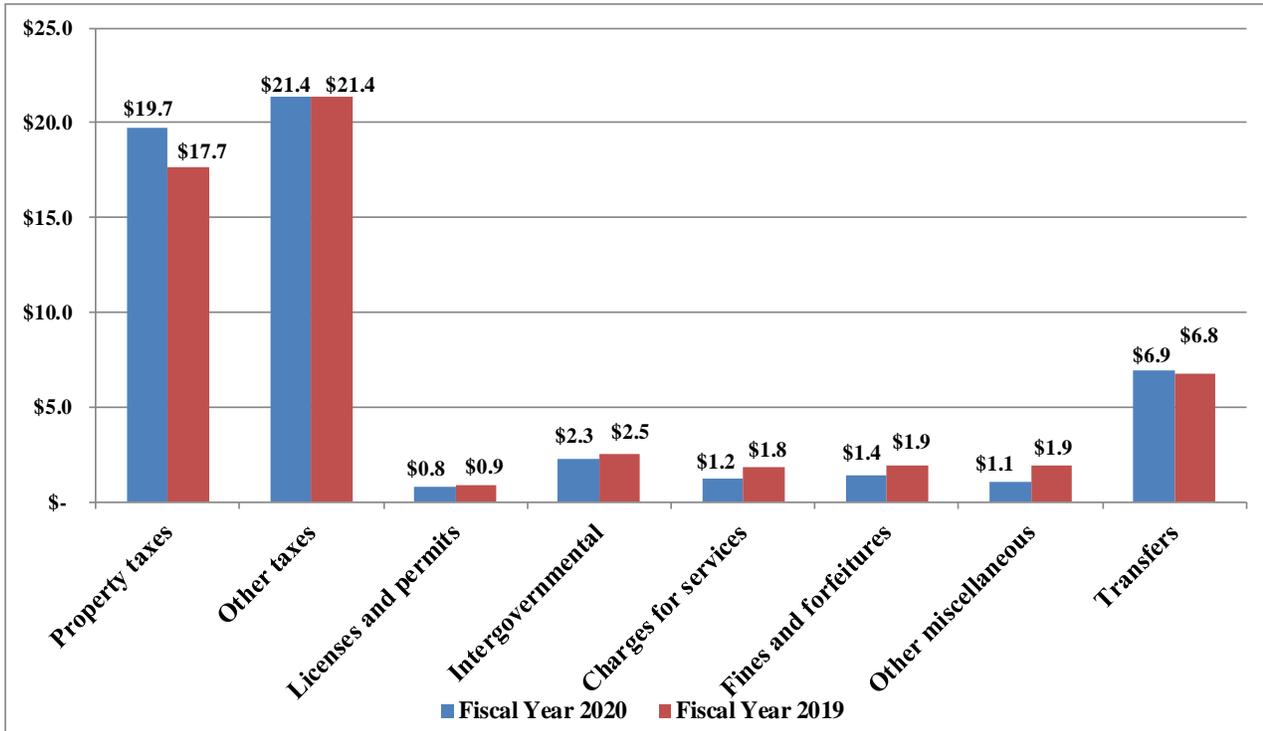
CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
 SEPTEMBER 30, 2020

General Fund Revenues by Source (in millions)



Current Year vs. Prior Year General Fund Revenues (in millions)



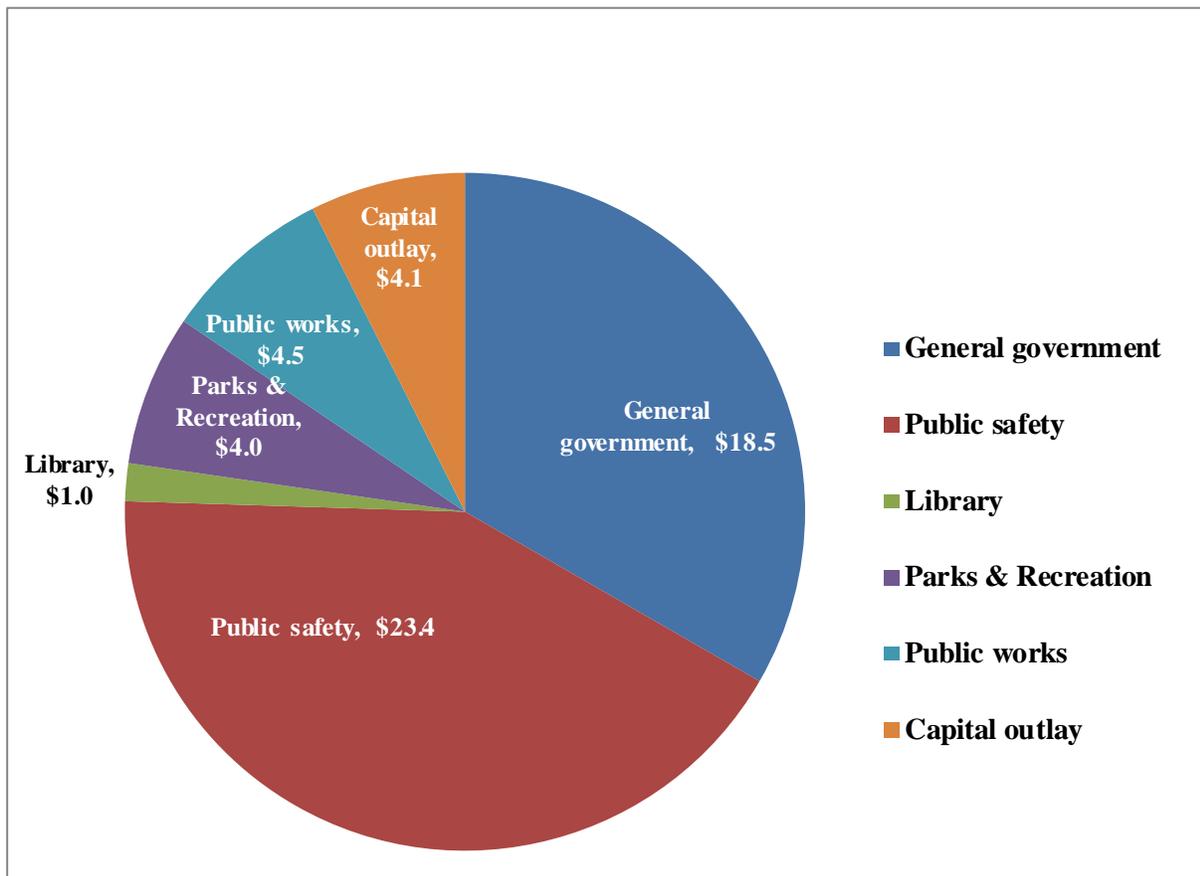
CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

Total General Fund expenditures increased by \$4.0 million or 7.8% as compared to the prior year. The cost of general government services was the primary sources of the increase. The adjustment to the allowance for uncollectible accounts is categorized as a non-departmental expense and is included in general government expenditures.

The following graphic displays (in millions) the classifications of expenditures relative to the total fiscal year 2020 general fund expenditures.

General Fund Expenditures (in millions)



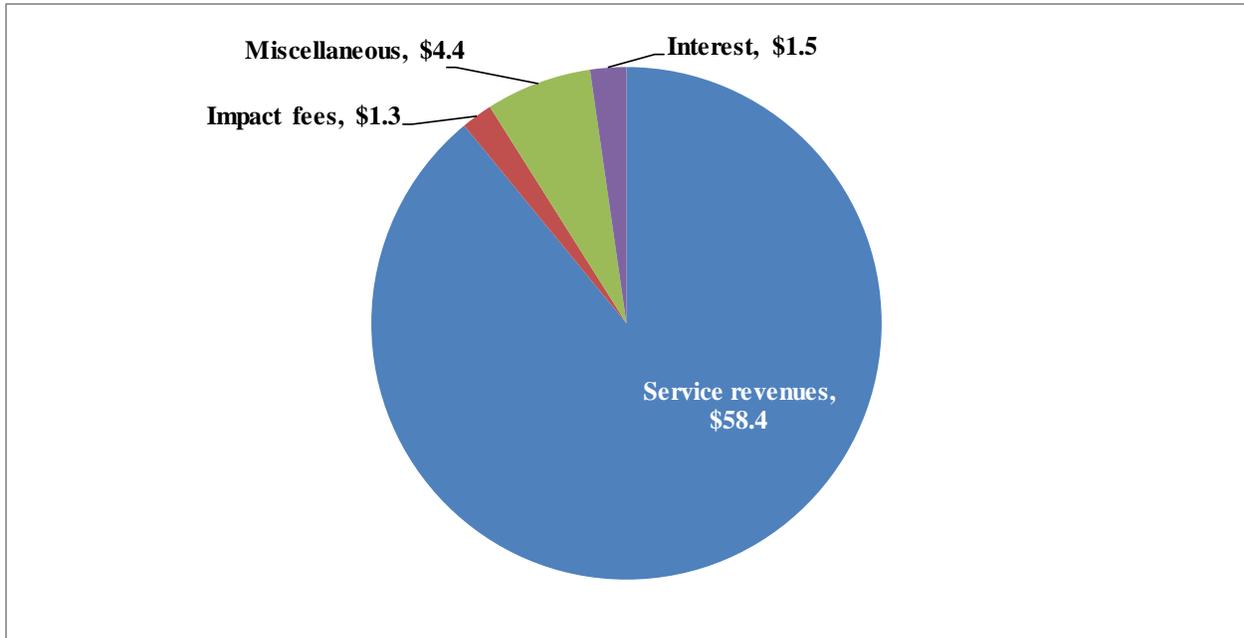
Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds account for services that are generally supported by user fees charged to customers. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short- and long-term financial information.

CITY OF NORTH MIAMI BEACH, FLORIDA

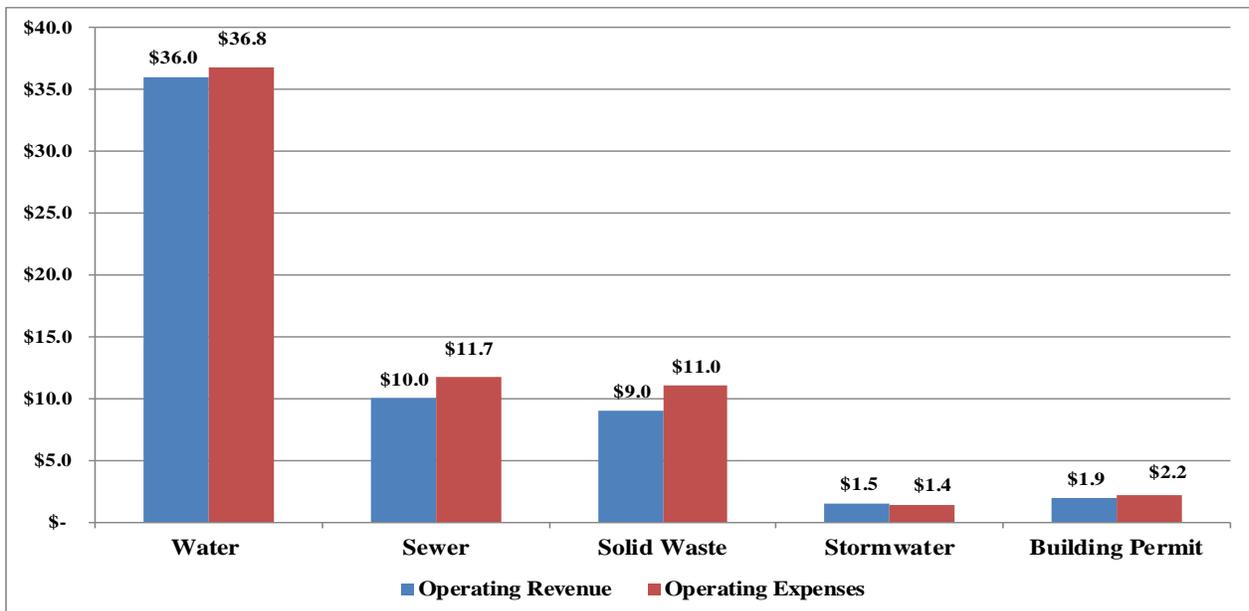
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)
 SEPTEMBER 30, 2020

The following graphics display (in millions) the sources of proprietary fund revenues relative to the total fiscal year 2020 proprietary fund revenue and a comparison between the operating revenues and expenses of each proprietary fund for the current fiscal year.

Proprietary Fund Revenues by Source (in millions)



Proprietary Fund Operating Revenues and Expenses (in millions)



CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

General Fund Budgetary Highlights

A budgetary comparison schedule for the General Fund is part of the required supplementary information and can be found on pages 100-101 of this report.

Differences between the *original budget* and the *final amended budget* amounted to an increase of approximately \$2.6 million during the current fiscal year. The original budget was increased to provide amounts encumbered for capital projects at the end of the prior fiscal year and amended to increase funding available for repairs and maintenance in the public services division.

The differences in the *actual* revenues and expenditures as compared to the *final amended budget* are summarized as follows:

- Actual revenue was greater than planned by approximately \$41,000. The City's conservative approach to budgeting General Fund revenues enabled a positive outcome as related to actual revenue collections.
- All expenditures exhibited positive variances except operating expenditures for the Legislative Department. This Department includes the Governmental Non-Departmental Division where payments that can't be attributed to a specific department are made. For example, debt service, mailroom, user charges for self-insurance funds, census, annexation and other types non-department specific payments are made from this division. As mentioned previously, the City implemented a new utility billing system which required adjustments to accounts receivable and uncollectible accounts. The adjustment to the General Fund totaled over \$2.1 million. The final Accounts Receivable report was presented in early April. Florida Statutes prohibit budget transfers after 60 days after fiscal year end. Consequently, a budget amendment could not be effectuated.
- The negative variance of \$17,140 for transfers into the General Fund results from lower than anticipated administrative costs related to the Eastern Shores Guardhouse Funds.
- Significant savings were realized in both operating and capital outlay expenditures. Overall, the positive expenditure variance was \$15.5 million.
- The total budgetary variance was a negative \$0.8 million.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$247.9 million (net of accumulated depreciation).

This investment in capital assets includes land, buildings, improvements other than buildings, and machinery and equipment. The City's investment in capital assets for the current fiscal year increased by \$2.0 million or 0.8%.

A significant amount of construction projects were started during the fiscal year in both the business-type and governmental activities resulting in an increase in the construction in progress category. All other categories have declined as a result of depreciation, except land, which does not depreciate and furniture, fixtures, machinery and equipment that saw a slight uptick.

The following chart provides a condensed schedule of government-wide capital assets with comparative balances between the current and last fiscal year.

Capital Assets, net of accumulated depreciation (in millions)

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 4.3	\$ 4.3	\$ 5.9	\$ 5.9	\$ 10.2	\$ 10.2
Buildings and plant	1.1	1.2	123.0	129.8	124.1	131.0
Improvements other than buildings	12.2	13.4	-	-	12.2	13.4
Furniture, fixtures, machinery and equipment	7.2	6.9	2.7	2.9	9.9	9.8
Infrastructure	15.4	16.1	-	-	15.4	16.1
Construction in progress	32.6	28.9	43.5	36.5	76.1	65.4
Total capital assets	<u>\$ 72.8</u>	<u>\$ 70.8</u>	<u>\$ 175.1</u>	<u>\$ 175.1</u>	<u>\$ 247.9</u>	<u>\$ 245.9</u>

Additional information on the City's capital assets can be found in Note 7 of this report.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

Long-term Debt

In 2012, the City received a rating letter which indicated that Standard and Poor's (S&P) Rating Services assigned an "A+" rating with a stable outlook on the City's water revenue bonds. FitchRatings also had assigned an "A+" rating with a stable outlook on those same bonds. FitchRatings upgraded the bond rating to "AA-" with a stable outlook during 2016. S&P and Fitch affirmed the City's ratings in January 2020.

On January 29, 2020, the Water Utility issued \$40,030,000 par amount of Water Revenue Bonds, Series 2020A at a premium of \$10,267,112.55 and \$39,945,000 par amount of Taxable Water Revenue Refunding Bonds, Series 2020B at coupon rates of 5%. The proceeds of Series A will be used to invest in the Utility's five-year Capital Improvement Plan. The proceeds of Series B were transferred to TD Bank, N.A. to provide for the escrow requirements for the partial redemption of the Water Revenue Refunding Bonds, Series 2012. The unrefunded portion of the Series 2012 bonds total \$7,730,000 and will be fully redeemed on August 1, 2022. The remainder of the Series 2012 bonds will be considered defeased and the liability will be removed from the Statement of Net Position for the fiscal year September 30, 2020. The refinancing resulted in an economic gain of approximately \$2.7 million and a decrease of approximately \$316,000 in annual debt service payments.

On June 25, 2020, the Water Utility was awarded a loan from the United States Government under the Water Infrastructure and Finance Innovation Act (WIFIA) administered by the Environmental Protection Agency. The loan was issued at an amount not to exceed \$44,204,486 and will be used for the Norwood Water Treatment Plant Upgrade and Transmission Main Improvements and Replacement Projects. The loan is secured by the Water Utility operating revenues, requires a 51% match and carries an interest rate of 1.36%. Interest becomes payable upon the first drawdown. The principal payback period begins five years after completion of the project which is estimated to be August 1, 2025. The first of 30 annual installments is due on August 1, 2031.

At the end of the current fiscal year, the City had total bonded debt outstanding, net of bond premiums of \$139.7 million, total notes payable of \$1.3 million, and State Revolving loans outstanding of \$19.0 million. Of this amount, \$13.4 million was approved by referendum of the City's voters. The remaining \$106.0 million of the bonds, notes and loans has been secured by specified revenue sources of the water and sewer utility operating income. Tax Increment Financing revenues have been pledged for the CRA debt totaling \$1.1 million.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

The following chart provides information on the City's outstanding long-term debt with comparative balances between the current and last fiscal year.

Denominated Long-Term Debt Outstanding (in millions)

	Governmental activities		Business-type activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 13.4	\$ 14.8	\$ -	\$ -	\$ 13.4	\$ 14.8
Revenue bonds	-	0.6	106.0	49.6	106.0	50.2
Notes payable	1.1	1.3	0.2	0.4	1.3	1.7
State Revolving Loans	-	-	19.0	20.2	19.0	20.2
Total	<u>\$ 14.5</u>	<u>\$ 16.7</u>	<u>\$ 125.2</u>	<u>\$ 70.2</u>	<u>\$ 139.7</u>	<u>\$ 86.9</u>

Even though the City's long-term liabilities have increased dramatically with the addition of the net pension and OPEB liabilities, this chart indicates that the City continues to make steady progress in paying down its debt obligations. Additional information on the City's long-term debt can be found in Note 9 of this report.

Economic Factors and Next Year's Budgets and Rates

During 2019, the City Commission updated the City's Strategic Plan and it continues to be used as a guide to prioritize funding for the adopted budgets. Each expenditure and revenue generation has been strategically linked to the City's Vision, Mission and Goals.

The goals identified during the Strategic Planning sessions included:

- Financially Sound City Government
- The Place to Live: Beautiful, Safe and Livable
- High performing City organization providing great customer services
- Revitalized Downtown and Major Corridors

Prior to March 2020, the economy appeared to be stabilizing, including a slowly recovering real estate market and slowly declining unemployment rates. Then the world was faced with the worst pandemic since the Spanish Flu of the 1918. The COVID-19 virus brought the world to a screeching halt. The Centers for Disease Control advised everyone except essential workers to remain at home, wear personal protective equipment such as facemasks, face shields and latex gloves. People were advised to keep a distance of six feet from any other human, to wash hands thoroughly and often and to quarantine if they were feeling any relevant symptoms of the infection.

CITY OF NORTH MIAMI BEACH, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) SEPTEMBER 30, 2020

Needless to say, state and municipal revenues were pummeled by lack of activity. Sales taxes, gas taxes, entrance fees for programs and events, rental fees for facilities, code enforcement and public safety fines, building permits, franchise fees all practically non-existent for the second half of the fiscal year.

Given these conditions, one would surmise that the water and wastewater utility charges and utility taxes would have remained stable and perhaps even increase under the circumstances. However, the City postponed late fees and service disconnections during the emergency conditions and the utility revenues suffered the consequences.

Thus far, there is no indication that the City's ad valorem taxes will be impacted by the pandemic. However, municipal operations tend to lag the effects of economic conditions, either positive or negative. Like many local governments across the country, the City is working to strike the delicate balance of maintaining service levels while keeping taxes and service charges as low as possible, especially in this time that so many City residents have been severely impacted.

As preparation begins on next year's budget, the City Manager will continue to focus on the implementation of the revised Strategic Plan initiatives and recovery from the effects of the COVID-19 pandemic.

Requests for Information

This financial report is designed to provide a general overview of the City of North Miami Beach's finances for all those with an interest in the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Janette Smith, CPA
Chief Financial Officer
City of North Miami Beach
17011 NE 19th Avenue
North Miami Beach, Florida 33162**

BASIC FINANCIAL STATEMENTS

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Governmental Activities	Business- type Activities	Total
ASSETS			
Current assets			
Pooled cash and investments	\$ 47,496,697	\$ 31,796,037	\$ 79,292,734
Receivables	4,775,470	8,570,510	13,345,980
Internal balances	(1,331,835)	1,331,835	-
Prepaid costs	729,079	729,662	1,458,741
Inventory	376,404	190,692	567,096
Other assets	100	-	100
Restricted assets			
Pooled cash and investments	-	4,563,710	4,563,710
Revenue bond proceeds	-	62,093,223	62,093,223
Total current assets	<u>52,045,915</u>	<u>109,275,669</u>	<u>161,321,584</u>
Non-Current assets			
Loans receivable	-	275,298	275,298
Capital assets, non-depreciable	36,985,869	49,432,882	86,418,751
Capital assets, net of accumulated depreciation	<u>35,845,031</u>	<u>125,671,374</u>	<u>161,516,405</u>
Total non-current assets	<u>72,830,900</u>	<u>175,379,554</u>	<u>248,210,454</u>
TOTAL ASSETS	<u>124,876,815</u>	<u>284,655,223</u>	<u>409,532,038</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources			
Pension	19,157,960	1,809,390	20,967,350
Other post employment benefits	<u>2,944,706</u>	<u>382,897</u>	<u>3,327,603</u>
Total deferred outflows of resources	<u>22,102,666</u>	<u>2,192,287</u>	<u>24,294,953</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 146,979,481</u>	<u>\$ 286,847,510</u>	<u>\$ 433,826,991</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 3,841,544	\$ 11,905,426	\$ 15,746,970
Customer/vendor deposits	544,505	4,563,710	5,108,215
Debt due within one year	<u>4,127,171</u>	<u>6,024,115</u>	<u>10,151,286</u>
Total current liabilities	8,513,220	22,493,251	31,006,471
Non-Current liabilities			
Net pension liability	82,793,091	11,398,462	94,191,553
Other non-current liabilities	<u>21,969,702</u>	<u>120,447,035</u>	<u>142,416,737</u>
Total non-current liabilities	<u>104,762,793</u>	<u>131,845,497</u>	<u>236,608,290</u>
TOTAL LIABILITIES	113,276,013	154,338,748	267,614,761
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources			
Taxes received in advance	<u>738,389</u>	-	<u>738,389</u>
Total deferred inflows of resources	<u>738,389</u>	-	<u>738,389</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 114,014,402</u>	<u>\$ 154,338,748</u>	<u>\$ 268,353,150</u>
NET POSITION			
Net investment in capital assets	\$ 57,562,280	\$ 80,272,415	\$ 137,834,695
Restricted for:			
Debt service	76,373	7,482,736	7,559,109
Community Redevelopment	4,347,874	-	4,347,874
Interlocal agreements	231,157	-	231,157
Public safety	3,839,173	-	3,839,173
Capital projects and equipment	1,341,321	19,036,398	20,377,719
Unrestricted	<u>(34,433,099)</u>	<u>25,717,213</u>	<u>(8,715,886)</u>
Total net position	<u>\$ 32,965,079</u>	<u>\$ 132,508,762</u>	<u>\$ 165,473,841</u>

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 26,284,442	\$ 1,603,744	\$ 6,174	\$ -	\$ (24,674,524)	\$ -	\$ (24,674,524)
Public safety	31,621,519	1,628,111	665,664	-	(29,327,744)	-	(29,327,744)
Parks & Recreation	5,375,706	273,992	347,517	2,500	(4,751,697)	-	(4,751,697)
Public works	5,898,025	-	125,041	175,907	(5,597,077)	-	(5,597,077)
Interest on long-term debt	633,405	-	-	-	(633,405)	-	(633,405)
Total governmental activities	<u>69,813,097</u>	<u>3,505,847</u>	<u>1,144,396</u>	<u>178,407</u>	<u>(64,984,447)</u>	<u>-</u>	<u>(64,984,447)</u>
Business-type activities:							
Water	39,073,445	35,978,514	-	-	-	(3,094,931)	(3,094,931)
Wastewater	11,867,364	10,039,941	-	-	-	(1,827,423)	(1,827,423)
Solid waste	11,022,778	9,003,267	-	-	-	(2,019,511)	(2,019,511)
Stormwater	1,379,969	1,499,966	-	-	-	119,997	119,997
Building permits	2,219,298	1,888,366	-	-	-	(330,932)	(330,932)
Total business-type activities	<u>65,562,854</u>	<u>58,410,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,152,800)</u>	<u>(7,152,800)</u>
Total	<u>\$ 135,375,951</u>	<u>\$ 61,915,901</u>	<u>\$ 1,144,396</u>	<u>\$ 178,407</u>	<u>(64,984,447)</u>	<u>(7,152,800)</u>	<u>(72,137,247)</u>
General revenues:							
Property taxes					21,679,934	-	21,679,934
Utility taxes					3,635,558	-	3,635,558
Communication service taxes					1,643,561	-	1,643,561
Franchise fees on gross receipts					3,149,235	-	3,149,235
Sales taxes					3,864,317	-	3,864,317
State revenue sharing and other unrestricted intergovernmental revenue					6,533,630	-	6,533,630
Investment income					857,031	1,470,709	2,327,740
User surcharges					9,649,666	1,349,961	10,999,627
Miscellaneous					362,951	4,403,104	4,766,055
Transfers					6,436,219	(6,436,219)	-
Total general revenues and transfers					<u>57,812,102</u>	<u>787,555</u>	<u>58,599,657</u>
Change in net position					(7,172,345)	(6,365,245)	(13,537,590)
Net position - beginning					40,137,424	138,874,007	179,011,431
Net position - ending					<u>\$ 32,965,079</u>	<u>\$ 132,508,762</u>	<u>\$ 165,473,841</u>

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Pooled cash and investments	\$ 36,423,858	\$ 4,440,012	\$ 4,811,955	\$ 45,675,825
Accounts receivable	3,971,691	-	803,779	4,775,470
Due from other funds	482,183	-	-	482,183
Prepaid costs	639,496	-	14,334	653,830
Inventory	376,404	-	-	376,404
Other assets	100	-	-	100
TOTAL ASSETS	\$ 41,893,732	\$ 4,440,012	\$ 5,630,068	\$ 51,963,812
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,162,951	\$ 92,138	\$ 348,604	\$ 3,603,693
Vendor deposits	544,505	-	-	544,505
Due to other funds	-	-	482,183	482,183
DEFERRED INFLOWS OF RESOURCES				
Taxes received in advance	738,389	-	-	738,389
Total liabilities and deferred inflows of resources	4,445,845	92,138	830,787	5,368,770
FUND BALANCES				
Nonspendable:				
Inventory	376,404	-	-	376,404
Prepaid costs	639,496	-	14,334	653,830
Restricted:				
Debt service	-	-	92,733	92,733
Community Redevelopment	-	4,347,874	-	4,347,874
Interlocal agreements	-	-	231,157	231,157
Special Taxing Districts	-	-	344,861	344,861
Public safety	-	-	3,839,173	3,839,173
Impact fees	1,341,321	-	-	1,341,321
Committed:				
Alley restoration	-	-	293,383	293,383
Disaster recovery	3,000,000	-	-	3,000,000
Assigned:				
Appropriated for next year's budget	9,405,392	-	-	9,405,392
Capital projects and equipment	78,333	-	-	78,333
Liability claims	2,020,104	-	-	2,020,104
Workers' compensation claims	2,472,538	-	-	2,472,538
Land acquisition	68,574	-	-	68,574
Unassigned:				
Debt service	-	-	(16,360)	(16,360)
General fund	18,045,725	-	-	18,045,725
Total fund balances	<u>37,447,887</u>	<u>4,347,874</u>	<u>4,799,281</u>	<u>46,595,042</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 41,893,732	\$ 4,440,012	\$ 5,630,068	\$ 51,963,812

CITY OF NORTH MIAMI BEACH, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

Total governmental fund balances (page 39)	\$ 46,595,042
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because:	
Capital assets, (excluding those reported in the internal service funds) used in governmental activities are not current financial resources and therefore are not reported in the funds	72,241,415
Long-term liabilities, (excluding those reported in the internal service funds) including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(26,017,838)
Deferred inflows and outflows of resources	21,774,582
Net pension liability	(82,615,830)
Accrued interest on long term debt	(217,285)
The internal service fund is used by management to charge the cost of information technology to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the Government-wide Statement of Net Position.	<u>1,204,993</u>
Net position of governmental activities (page 37)	<u>\$ 32,965,079</u>

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 19,677,704	\$ -	\$ 2,002,230	\$ 21,679,934
User surcharges	8,992,603	-	-	8,992,603
Franchise fees	3,149,235	-	-	3,149,235
Utility taxes	3,635,558	-	-	3,635,558
Communication service taxes	1,643,561	-	-	1,643,561
Other taxes	3,864,317	-	-	3,864,317
Licenses and permits	829,106	-	-	829,106
Intergovernmental revenue	2,343,367	2,484,660	1,705,603	6,533,630
Charges for services	1,215,273	-	-	1,215,273
Fines and forfeitures	1,441,453	-	526,074	1,967,527
Non-Ad valorem assessments	-	-	657,063	657,063
Grant revenue	-	-	654,234	654,234
Investment income	740,993	116,038	-	857,031
Miscellaneous revenue	349,965	-	12,986	362,951
Total revenues	47,883,135	2,600,698	5,558,190	56,042,023
Expenditures:				
Current operating:				
General government	18,593,061	652,681	-	19,245,742
Public safety	23,355,005	-	2,119,773	25,474,778
Library	969,328	-	73,964	1,043,292
Parks & Recreation	3,978,054	-	77,526	4,055,580
Public works	4,502,543	-	1,112,182	5,614,725
Capital outlay	4,145,350	287,127	1,519,609	5,952,086
Debt service:				
Principal	-	166,667	2,030,116	2,196,783
Interest and other fiscal charges	-	28,827	622,901	651,728
Total expenditures	55,543,341	1,135,302	7,556,071	64,234,714
Excess (deficiency) of revenues over expenditures	(7,660,206)	1,465,396	(1,997,881)	(8,192,691)
Other financing sources (uses)				
Transfers in	6,929,066	-	650,789	7,579,855
Transfers out	(25,488)	(279,406)	(832,865)	(1,137,759)
Total other financing sources (uses)	6,903,578	(279,406)	(182,076)	6,442,096
Net change in fund balance	(756,628)	1,185,990	(2,179,957)	(1,750,595)
Fund balances, beginning	38,204,515	3,161,884	6,979,238	48,345,637
Fund balances, ending	\$ 37,447,887	\$ 4,347,874	\$ 4,799,281	\$ 46,595,042

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds (page 41) \$ (1,750,595)

Amounts reported for governmental activities in the Government-wide Statement of Activities (page 38)
are different because:

Governmental funds report capital outlays as expenditures while the Statement of Activities reports depreciation expense on capital assets. This is the amount by which capital outlays exceeded depreciation in the current period. The details of the difference (excluding the internal service fund) are as follows:

Capital outlay	\$ 5,952,086	
Depreciation expense	<u>(4,011,974)</u>	
Net adjustment		1,940,112

The issuance of long-term debt provides current financial resources to governmental funds. Repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of the difference (excluding the internal service fund) are as follows:

Principal payments:		
General obligation and capital improvement bonds	1,385,000	
Revenue bonds	645,116	
Notes payable	<u>166,667</u>	
Net adjustment		2,196,783

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Changes in:		
Compensated absences	(711,719)	
Estimated claims	285,000	
OPEB liability	(1,393,049)	
Accrued interest	18,323	
Deferred outflows of resources	(589,099)	
Deferred inflows of resources	1,830,882	
Net pension liability	<u>(9,018,998)</u>	
		(9,578,660)

The internal service fund is used by management to charge the costs of information technology to other funds. The net revenue is reported with governmental activities. 20,015

Change in net position of governmental activities (page 38) \$ (7,172,345)

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2020

	Business-type Activities					Internal Service Fund
	Enterprise Funds					
	Major Funds				Total	
	Water Utility	Wastewater Utility	Solid Waste	Other Enterprise Funds		
ASSETS						
Current assets:						
Pooled cash and investments	9,233,525	10,729,475	\$ 727,011	\$ 11,106,026	\$ 31,796,037	\$ 1,820,872
Accounts receivable, net	6,243,279	1,306,884	871,415	148,932	8,570,510	-
Prepaid expenses	725,419	-	591	3,652	729,662	75,249
Inventory	190,692	-	-	-	190,692	-
Restricted assets:						
Customer deposits	4,065,023	476,850	21,837	-	4,563,710	-
Revenue bond proceeds	50,986,599	11,106,624	-	-	62,093,223	-
Total current assets	71,444,537	23,619,833	1,620,854	11,258,610	107,943,834	1,896,121
Non-current assets						
Loans receivable	-	275,298	-	-	275,298	-
Capital assets, non-depreciable	44,182,128	4,216,709	-	1,034,045	49,432,882	255,577
Capital assets - net of accumulated depreciation	103,006,004	18,794,972	728,821	3,141,577	125,671,374	333,908
Total non-current assets	147,188,132	23,286,979	728,821	4,175,622	175,379,554	589,485
Total assets	\$ 218,632,669	\$ 46,906,812	\$ 2,349,675	\$ 15,434,232	\$ 283,323,388	\$ 2,485,606
DEFERRED OUTFLOWS OF RESOURCES						
Pension	\$ 553,880	\$ 51,533	\$ 511,846	\$ 692,131	\$ 1,809,390	\$ 328,084
Other post employment benefits	226,905	6,820	26,143	123,029	382,897	-
Total deferred outflows of resources	\$ 780,785	\$ 58,353	\$ 537,989	\$ 815,160	\$ 2,192,287	\$ 328,084
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 219,413,454	\$ 46,965,165	\$ 2,887,664	\$ 16,249,392	\$ 285,515,675	\$ 2,813,690
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 9,736,415	\$ 1,190,476	\$ 569,071	\$ 409,464	\$ 11,905,426	\$ 20,566
Customer deposits	4,065,023	476,850	21,837	-	4,563,710	-
Current portions of:						
Revenue bonds payable	3,899,429	600,000	-	-	4,499,429	-
Notes payable	794,059	401,882	-	194,358	1,390,299	-
Compensated absences	22,384	-	41,227	70,776	134,387	32,185
Total current liabilities	18,517,310	2,669,208	632,135	674,598	22,493,251	52,751
Non-current liabilities:						
Revenue bonds payable	91,062,684	10,400,000	-	-	101,462,684	-
Notes payable	12,390,836	5,429,018	-	-	17,819,854	-
Net pension liability	7,390,073	687,670	1,916,663	1,404,056	11,398,462	177,261
Compensated absences	67,530	-	87,902	116,908	272,340	46,850
Other post-employment benefits	523,248	28,428	107,281	233,200	892,157	-
Total non-current liabilities	111,434,371	16,545,116	2,111,846	1,754,164	131,845,497	224,111
Total liabilities	\$ 129,951,681	\$ 19,214,324	\$ 2,743,981	\$ 2,428,762	\$ 154,338,748	\$ 276,862
NET POSITION						
Net investment in capital assets	69,381,549	\$ 6,180,781	\$ 728,821	\$ 3,981,264	\$ 80,272,415	\$ 589,485
Restricted:						
Capital improvements	17,306,657	1,729,741	-	-	19,036,398	-
Debt service	6,572,536	910,200	-	-	7,482,736	-
Unrestricted	(3,798,969)	18,930,119	(585,138)	9,839,366	24,385,378	1,947,343
Total net position	\$ 89,461,773	\$ 27,750,841	\$ 143,683	\$ 13,820,630	131,176,927	\$ 2,536,828
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,331,835	
Net position of business-type activities					\$ 132,508,762	

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities					Internal Service Fund	
	Enterprise Funds				Total		Information Technology
	Major Funds		Solid Waste	Other Enterprise Funds			
Water Utility	Wastewater Utility						
Operating revenues:							
Service revenues	\$ 35,978,514	\$10,039,941	\$ 9,003,267	\$ 3,388,332	\$ 58,410,054	\$2,362,056	
Total operating revenues	35,978,514	10,039,941	9,003,267	3,388,332	58,410,054	2,362,056	
Operating expenses:							
Personnel services	1,094,229	140,004	1,517,055	2,434,961	5,186,249	1,118,551	
Other operating costs	29,838,130	10,398,381	9,385,250	850,331	50,472,092	1,194,222	
Depreciation	5,886,468	1,123,994	120,473	305,591	7,436,526	90,833	
Total operating expenses	36,818,827	11,662,379	11,022,778	3,590,883	63,094,867	2,403,606	
Operating loss	(840,313)	(1,622,438)	(2,019,511)	(202,551)	(4,684,813)	(41,550)	
Non-operating revenue (expense):							
Impact fees	976,324	373,637	-	-	1,349,961	-	
Investment income	878,994	352,978	645	238,092	1,470,709	-	
Miscellaneous income	1,818,717	2,044	2,378,699	225,765	4,425,225	4,276	
Interest and other fiscal charges	(2,254,618)	(204,985)	-	(8,384)	(2,467,987)	-	
Total non-operating revenue (loss)	1,419,417	523,674	2,379,344	455,473	4,777,908	4,276	
Income (loss) before transfers	579,104	(1,098,764)	359,833	252,922	93,095	(37,274)	
Transfers out	(3,967,240)	(1,045,060)	(981,354)	(442,565)	(6,436,219)	(4,861)	
Change in net position	(3,388,136)	(2,143,824)	(621,521)	(189,643)	(6,343,124)	(42,135)	
Net position - beginning	92,849,909	29,894,665	765,204	14,010,273		2,578,963	
Net position, ending	\$ 89,461,773	\$27,750,841	\$ 143,683	\$13,820,630		\$2,536,828	
					(22,121)		
						\$ (6,365,245)	

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities				Total Enterprise Funds	Internal Service Fund
	Enterprise Funds		Other Enterprise Funds	Information Technology		
	Major Funds					
	Water Utility	Wastewater Utility	Solid Waste			
Cash flows from operating activities:						
Cash received from customers	\$ 43,955,336	\$ 11,848,783	\$ 13,415,045	\$ 3,847,674	\$ 73,066,838	\$ -
Cash received from other funds	-	-	(1,107,117)	-	(1,107,117)	2,237,289
Cash payments to internal service funds	-	-	-	(212,584)	(212,584)	-
Cash payments to suppliers	(30,582,822)	(10,184,633)	(9,338,400)	(622,851)	(50,728,706)	(1,167,454)
Cash payments to employees	(1,119,148)	(144,459)	(1,260,774)	(2,050,038)	(4,574,419)	(805,616)
Cash payments to other funds	-	-	-	1,107,117	1,107,117	-
Net cash provided by operating activities	12,253,366	1,519,691	1,708,754	2,069,318	17,551,129	264,219
Cash flows used in noncapital financing activities:						
Transfers to other funds	(3,967,240)	(1,045,060)	(981,354)	(442,565)	(6,436,219)	(4,861)
Net cash used in noncapital financing activities:	(3,967,240)	(1,045,060)	(981,354)	(442,565)	(6,436,219)	(4,861)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(11,430,274)	(72,305)	(1,001)	603,628	(10,899,952)	(196,509)
Disposal of capital assets	4,379,428	(164,094)	-	(798,580)	3,416,754	-
Impact fees	976,324	373,637	-	-	1,349,961	-
Principal paid on long-term debt	44,548,523	-	-	(190,211)	44,358,312	-
Interest paid on long-term debt	(2,254,618)	(204,985)	-	(8,384)	(2,467,987)	-
Net cash provided by (used in) capital and related financing activities	36,219,383	10,538,298	(1,001)	(393,547)	46,363,133	(196,509)
Cash flows from investing activities:						
Investment purchases	(11,613,948)	(10,323,513)	-	(10,309,488)	(32,246,949)	-
Investment calls and maturities	11,640,240	10,346,880	-	10,332,822	32,319,942	-
Investment income	852,706	329,611	645	214,758	1,397,720	-
Net cash provided by investing activities	878,998	352,978	645	238,092	1,470,713	-
Net increase in pooled cash and investments	45,384,507	11,365,907	727,044	1,471,298	58,948,756	62,849
Pooled cash and investments, beginning	18,900,640	10,947,042	21,804	9,634,728	39,504,214	1,758,023
Pooled cash and investments, ending	64,285,147	22,312,949	748,848	11,106,026	98,452,970	1,820,872
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	(840,313)	(1,622,438)	(2,019,511)	(202,551)	(4,684,813)	(41,550)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	5,886,468	1,123,994	120,473	305,591	7,436,526	90,833
Other income	1,818,717	2,044	2,378,699	225,765	4,425,225	4,276
(Increase) decrease in assets:						
Accounts receivable	6,096,353	1,782,018	2,033,046	233,577	10,144,994	-
Due from other funds	-	-	-	1,107,117	1,107,117	-
Inventories	(44,586)	-	-	-	(44,586)	-
Prepaid costs	(281,704)	92,292	-	35,061	(154,351)	40,433
Deferred outflows of pension resources	(31,589)	(2,994)	(9,565)	(18,933)	(63,081)	-
Deferred outflows of OPEB resources	(438,057)	(43,141)	(184,973)	(123,308)	(789,479)	(129,043)
Increase (decrease) in liabilities:						
Vouchers payable and accrued liabilities	(366,322)	121,456	74,277	71,170	(99,419)	25,264
Customer deposits	61,752	24,780	33	-	86,565	-
Due to other funds	-	-	(1,107,117)	-	(1,107,117)	-
Pension and OPEB liabilities	392,647	41,680	423,392	435,829	1,293,548	274,006
Total adjustments	13,093,679	3,142,129	3,728,265	2,271,869	22,235,942	305,769
Net cash provided by operating activities	\$ 12,253,366	\$ 1,519,691	\$ 1,708,754	\$ 2,069,318	\$ 17,551,129	\$ 264,219
Non-cash investing, capital and financing activities:						
Increase in fair value of investments	\$ 140,540	\$ 21,700	\$ -	\$ (12,123)	\$ 150,117	\$ -

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

SEPTEMBER 30, 2020

	<u>Trust Funds</u>	<u>Police Holding Account Agency Fund</u>
<u>ASSETS</u>		
Cash	\$ 3,917	\$ 651,412
Investments:		
Equity securities	110,992,572	-
Money market funds	30,468,110	-
Government securities	24,567,685	-
Corporate bonds	23,484,795	-
Real estate	15,474,945	-
Mutual funds	4,670,108	-
Hedge funds	480,945	-
Total Investments	210,139,160	-
Accrued interest receivable	238,460	-
Other receivables	859,270	-
Total assets	\$ 211,240,807	\$ 651,412
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 985,499	\$ -
Deposits awaiting adjudication	-	651,412
Total liabilities	\$ 985,499	\$ 651,412
<u>NET POSITION</u>		
Net position restricted for pensions	\$ 210,255,308	\$ -

See notes to basic financial statements

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Trust Funds</u>
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 10,603,658
Employee	1,415,589
State of Florida	<u>509,062</u>
Total contributions	12,528,309
Investment income (expense):	
Net appreciation in fair value of investments	8,524,306
Interest and dividends	3,916,392
Other income	32,955
Investment expenses	<u>(981,161)</u>
Net investment income	<u>11,492,492</u>
Total additions	24,020,801
<u>DEDUCTIONS</u>	
Pension benefit payments	20,455,270
Administrative expenses	<u>468,671</u>
Total deductions	<u>20,923,941</u>
Change in net position	3,096,860
Net position restricted for pensions, beginning	<u>207,158,448</u>
Net position restricted for pensions, ending	<u>\$ 210,255,308</u>

See notes to basic financial statements



NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

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CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies

The City of North Miami Beach (the City) was incorporated in 1926. The City operates under a Commission-Manager form of government. In addition to general government services including police, library, parks and recreation, code compliance and public works provided to its residents, the City operates water, sewer, stormwater and solid waste utilities, provides building permitting and inspection services and maintains various trust and agency funds in a fiduciary capacity. The City does not provide educational, fire or hospital facilities. Those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

Financial Reporting Entity

The financial statements were prepared in accordance with Governmental Accounting Standards. Those standards establish definitions for reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government (the City), organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

The North Miami Beach Community Redevelopment Agency (the CRA) was created by the Mayor and City Commission on December 21, 2004 by adoption of Resolution R2004-86 accepting a delegation of powers from the Miami-Dade Board of County Commissioners and declaring the Mayor and City Commission to be the Agency in accordance with Section 163.357 of the Florida Statutes under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. Miami-Dade County retains the final authority to approve the annual CRA budget, redevelopment plan and amendments, and the issuance of long-term debt. The purpose of the CRA is the elimination and prevention of blight conditions within the designated community redevelopment area. Since the CRA area is entirely within City limits, CRA activities benefit the City almost exclusively. The City Commission acts as the CRA's Board of Directors, the Mayor is the Chairman and the City Manager is the Executive Director. The governance structure allows the City to exert significant influence over the activities of the CRA. Considering these parameters, the CRA meets the criteria of a blended component unit and has been included as an integral part of the attached financial statements as a special revenue fund of the City of North Miami Beach. Additional information on the CRA can be found in Note 14 to the financial statements.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following GASB Pronouncements have been implemented during the current fiscal year:

- GASB Statement No. 84, *Fiduciary Activities* issued in January 2017;
- GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* issued in August 2018;

The basic financial statements consist of the government-wide and fund financial statements. Each set of statements distinguish between the governmental and business-type activities of the City. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the non-fiduciary activities of the primary government and its component units. The statement of net position reports financial and capital resources of the City's governmental and business-type activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services provided. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The primary exception is charges between the City's various utility functions and administrative functions of the City. Elimination of these charges would distort the costs reported for the business-type activities and incurred by the administrative departments.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major funds are aggregated and reported as other governmental or other enterprise funds.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds are fiduciary funds with no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Certain taxes, and franchise fees are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Revenue for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for separately.
- The *Community Redevelopment Agency* is used to account for the operations of the North Miami Beach Community Redevelopment Agency (CRA) as a blended component unit. The agency is funded by tax increment financing from the City and Miami-Dade County.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

The City reports the following major proprietary funds:

- The *Water Utility System Fund* accounts for the activities of providing water treatment and distribution service to the utility's customers.
- The *Wastewater Utility System Fund* accounts for the operation of the sewage pumping stations and collection systems to customers both inside and outside the City's boundaries.
- The *Solid Waste Fund* accounts for providing sanitation services within the City.

Additionally, the City reports the following fund types:

Internal Service Fund - The *Information Technology Fund* is classified as a governmental activity because it provides City-wide services on a cost reimbursement basis.

Fiduciary Funds – The City acts in a fiduciary capacity with regard to the *Pension Trust Funds, OPEB Trust Fund and Police Holding Account Agency Fund* which is used to segregate, and hold seized assets until adjudication orders are received and distribution is determined by the courts.

Assets, Deferred outflows of resources, Liabilities and Deferred inflows of resources

1. Pooled Cash and Investments

Resources of all funds, with the exception of the fiduciary funds and certain other investment accounts, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based upon equity balances of the participating funds. Cash and cash equivalents include pooled cash and investments and are defined as short-term, highly liquid investments with original maturities of three months or less. Restricted assets include resources subject to externally imposed restrictions such as creditors, grantors, laws and regulations. Assets are restricted for customer deposits and funds provided by debt issuance to finance the cost of capital equipment and improvement projects.

Surplus funds are invested in accordance with the provisions of the City's adopted investment policy. City investments are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are based on quoted prices in active markets for identical assets; Level 2 inputs are based on significant other observable inputs; Level 3 inputs are based on unobservable inputs. As of September 30, 2020, all of the City's, OPEB Trust Fund's and General Management Employee Pension Plan's government securities and corporate bonds have fair value measurements using level 2 valuation inputs using pricing models maximizing the use of observable inputs for similar securities. There are no assets valued using non-recurring fair value measurements.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Assets and Liabilities (continued)

2. Receivables and Payables

Activities between funds that represent lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or due from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

3. Inventories and Prepaid Items

Inventories are stated at average cost on a specific identification basis and are recorded as an asset when purchased and as an expense when consumed (consumption method). Prepaid costs are payments that are applicable to future accounting periods and are recorded as an asset when purchased and as an expense when consumed (consumption method) in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks) are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 for tangible capital assets, \$30,000 for software, and \$75,000 for easements, and an estimated useful life in excess of one year.

Outlays for capital assets and improvements, including design, engineering, installation and similar costs are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and utility plant	30-50
Improvements other than buildings	20
Furniture, fixtures, machinery and equipment	5-10
Infrastructure	30

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Assets and Liabilities (continued)

5. Revenue Received in Advance, Deferred Inflows and Deferred Outflows of Resources

Grants received in advance are recorded as a liability in the Statement of Net Position and the Governmental Funds Balance Sheet until the eligibility criteria required to recognize the revenue has been completed. Business tax receipts collected in advance, and deferred pension and OPEB income represent acquisition of net position that applies to future periods and are recorded as deferred inflows of resources. Deferred pension and OPEB expense represent the consumption of net position applicable to future periods and is recorded as deferred outflows of resources. Because of their long-term attributes, deferred pension inflows and outflows are not included in the governmental fund financial statements.

6. Compensated Absences

It is the City's policy to permit full-time employees to accumulate limited amounts of earned vacation and sick leave. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The fund in which the employee's payroll expense has been recorded is used to liquidate such amounts. Typically, the General Fund, Transit Surtax Fund and the Community Redevelopment Agency are used for liquidation of the liability in the governmental funds.

7. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

8. Pensions

Net pension liability, deferred outflows and inflows of resources, pension expense, fiduciary net position and changes to fiduciary net position have been determined and reported on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Liability liquidation occurs in the CRA, Transit Surtax and General Fund.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Equity

The City reports the following fund equity classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form-such as inventory or prepaid amounts or (b) legally or contractually required to be maintained intact-such as a perpetual trust.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. For example, governmental and proprietary funds collect impact fees as imposed under local ordinances 2005-16, 2005-17 and 2006-20. The intent of these ordinances is to assist in the implementation of the City's state-required comprehensive plan and to assure that new development bears a proportionate share of the cost of capital expenditures necessary to provide improvements to infrastructure.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Commission (which are both equal and the government's highest level of decision-making authority). Committed amounts cannot be used for any other purpose unless the City Commission removes the specified use by taking the same type of action (resolution or ordinance) imposing the commitment. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance reflects the amounts constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Commission and City Manager have the authority to assign amounts to be used for specific purposes at will.

Unassigned fund balance is the residual classification for the General Fund. It is the City's policy to maintain an amount equal to at least ten percent of total budgeted revenues of the General Fund as originally adopted as unassigned fund balance. This fund balance classification is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources, committed, assigned, and unassigned, in order as needed.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. Property taxes (ad valorem taxes) are assessed on January 1 (the lien date) and are billed and payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 and accrue interest charges from April 1 until June 1, when tax certificates are sold at auction.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Property Taxes (continued)

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$10 (10 mills) per \$1,000 of assessed valuation for governmental operations. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The millage rate to finance general governmental services for the year ended September 30, 2020, was 6.2000 mills per \$1,000 of assessed valuation; the millage rate for bonded debt service was 0.6194 mills.

Note 2 - Stewardship, Compliance and Accountability

At September 30, 2020, the City reported deficit fund balances in the Series 2011 Debt Service Fund. The deficit in the debt service fund is related to inadequate transfers from supporting sources. The deficit is expected to be eliminated during the next fiscal year.

Note 3 - Deposits and Investments

GASB Statement No. 40 *Deposit and Investment Risk Disclosure* (GASB Statement No. 40) is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires that deposit and investment policies related to the risks be disclosed, as applicable.

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the entity or its agent in the entity's name.

The State Board of Administration (SBA) administers the Florida PRIME Fund which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant NAV of \$1 per share. The Florida PRIME is a Local Governmental Investment Pool (LGIP), and therefore considered an external investment pool for GASB reporting purposes. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 3 - Deposits and Investments (continued)

The investment policies of the Retirement Plans for the General Employees and for Police Officers and Firefighters have been adopted by their respective Boards of Trustees. The policies have been designed to maximize Plan asset values while assuming risk levels that are consistent with the respective Board's risk tolerance and diversifying risk across various asset classes including bonds, debentures and other corporate obligations, equity securities and domestic real estate.

The OPEB Trust and the Retirement Plan and Trust for General Management Employees are invested in the Florida Municipal Investment Trust (FMIvT). The FMIvT operates as a fiduciary trust fund under governmental accounting rules that require preparation of financial statements. The FMIvT is a Local Governmental Investment Pool (LGIP), and therefore considered an external investment pool for GASB reporting purposes. The Board of Trustees is designated as having oversight authority and official custody of the funds, which are invested by the purchase of shares of beneficial interest in the trust, not the individual securities held by the trust. The fair value of the positions in the FMIvT is equal to the value of the portfolio shares. The investments in the FMIvT are not insured by FDIC or any other governmental agency. Deposit and investment balances as of September 30, 2020 are as follows:

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Governmental and business-type activities		
Bank Deposits and cash on hand	Not rated	\$ 17,523,095
SBA Florida Prime	AAAm	5,403,253
FMIvT Broad Market High Quality Bond Fund	AAf/S4	52,897
Money market funds	Not rated	3,784,030
Certificates of Deposit	Not rated	749,323
US Agencies	AAA/AA+	64,424,681
Corporate Bonds	Aaa/AAA	18,669,190
Municipal Bonds	AAA/AAA	3,466,656
Commercial Paper	A1/P1	<u>31,876,542</u>
Total governmental and business-type investments		<u>\$ 145,949,667</u>
Retirement Plan and Trust for General Management Employees		
FMIvT Broad Market High Quality Bond Fund	AAf/S4	<u>\$ 20,740,269</u>
OPEB Trust		
FMIvT Broad Market High Quality Bond Fund	AAf/S4	<u>\$ 4,197,792</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 3 - Deposits and Investments (continued)

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
Retirement Plan for Police Officers and Firefighters		
Equity	Not rated	\$ 59,450,475
Money market funds	Not rated	3,240,240
US Treasuries & agencies	Not rated	1,778,581
US Agencies	Aaa	13,626,549
Corporate Bonds	A1	1,512,486
Corporate Bonds	A2	5,445,204
Corporate Bonds	A3	7,132,476
Corporate Bonds	Not rated	675,122
Mutual funds	Various	2,615,879
Real estate	Not rated	7,388,901
Hedge funds	Not rated	296,173
Total plan investments		<u>\$ 103,162,086</u>
 Retirement Plan for General Employees		
Equity	Not rated	\$ 51,542,097
Money market funds	Not rated	2,289,809
US Agencies	Not rated	1,947,350
US Agencies	Aaa	7,215,205
Corporate Bonds	A1	440,815
Corporate Bonds	A2	3,953,633
Corporate Bonds	A3	3,578,223
Corporate Bonds	Not rated	746,836
Mutual funds	Various	2,054,229
Real estate	Not rated	8,086,044
Hedge funds	Not rated	184,772
Total plan investments		<u>\$ 82,039,013</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 3 - Deposits and Investments (continued)

Risk Disclosures

Credit Risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. A credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations. The City's, the OPEB Trust's and the Retirement Plan and Trust for General Management Employees' investment policy limits the quality and quantity of investments and requires pre-qualification of the financial institutions, broker/dealers, intermediaries, and advisors with which the City conducts investment transactions. These policy requirements are intended to mitigate the effects of credit risk.

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the City or Pension Trust Plans will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the investment policies of the City, the Retirement Plans for General Employees and for Police Officers and Firefighters, the investments are held by each entity's custodial bank and registered in each entity's name.

Foreign Currency Risk is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than U.S. dollars and the carrying value of foreign investments. The City, the OPEB Trust nor the Retirement Plan and Trust for General Management Employees invests in securities denominated in foreign currencies. The value of investments of the Retirement Plan for General Employees subject to foreign currency risk at September 30, 2020 is approximately 11.4% of total investments. The Plan's investment policy limit is 25% of any manager's total Plan portfolio. The value of investments of the Retirement Plan for Police Officers and Firefighters subject to foreign currency risk at September 30, 2020 is approximately 15% of total investments. The Plan's investment policy limit is 25% of any manager's total Plan portfolio.

Concentration Credit Risk The City's investment policy and the investment policies of the Retirement Plans for the General Employees and for Police Officers and Firefighters have limitations on the amount that can be invested in any one issuer other than the U.S. Government and its agencies. Neither the City nor either Retirement Plan held investments of any one issuer of more than 5% of Fiduciary Net Position as of September 30, 2020. The following were the Boards' adopted asset allocation policies as of September 30, 2020:

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 3 - Deposits and Investments (continued)

Risk Disclosures (continued)

Concentration Credit Risk (continued)

<u>Retirement Plan</u>	<u>Asset Class</u>	<u>Target Allocation</u>
General Employees	Domestic equities	20% to 80%
	International equities	0% to 25%
	Fixed income	15% to 50%
	Infrastructure	0% to 10%
	Hedge funds	0% to 10%
	Real estate	0% to 12.5%
	Cash and equivalents	Minimal
Police and Firefighters	Domestic equities	35% to 55%
	International equities	5% to 20%
	Fixed income	27.5% to 32.5%
	Hedge funds	0% to 10.0%
	Real estate	0% to 10.0%
	Cash and equivalents	Minimal
General Management & OPEB	Core bonds	20%
	Domestic equities	52%
	Non-US equity	18%
	Real estate	10%
FRS	Cash equivalents	1.0%
	Fixed income	19.0%
	Global equity	54.2%
	Real estate	10.3%
	Private equity	11.1%
	Strategic investments	4.4%

Interest Rate Risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Interest rate risk disclosures are required for all debt instruments as well as investments in mutual funds, external investment pools and other pooled investments that do not meet the definition of a "2a-7 like" pool.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 3 - Deposits and Investments (continued)

Risk Disclosures (continued)

Interest Rate Risk (continued)

The City's investment policy is structured to mitigate the effects of interest rate risk by placing limits on the maturity and duration of specific investment vehicles. The objective is to structure the portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities on the open market prior to maturity. The City has approximately 81.1% of its portfolio invested in securities that are at risk due to the portfolio's exposure to fair value losses arising from increasing interest rates. At September 30, 2020 the City's investments had the following distribution of maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
US Agencies	\$ 64,424,681	\$ 58,587,303	\$ 5,837,378	\$ -	\$ -
Corporate bonds	18,669,190	11,404,665	7,264,525	-	-
Commercial paper	31,876,542	31,876,542	-	-	-
Municipal bonds	3,466,656	1,283,785	2,182,871	-	-
Total	<u>\$ 118,437,069</u>	<u>\$ 103,152,295</u>	<u>\$ 15,284,774</u>	<u>\$ -</u>	<u>\$ -</u>

The OPEB Trust Fund's and the General Management Employees Pension Plan's investments are all mutual funds which do not meet the definition of a 2a-7 like pool. The Plans use the weighted average maturity method (WAM) for the FMIvT Broad Market High Quality Bond Fund which results in a modified duration of 5.52 years and a weighted average maturity of 6.60 years.

The investment policy for the Retirement Plan for General Employees does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments in government securities and corporate bonds totaled 21.8% of the portfolio and had the following distribution of maturities at September 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 8,719,507	\$ -	\$ 3,054,362	\$ 4,135,486	\$ 1,529,659
Fixed income mutual fund	2,054,229	285,127	896,466	613,187	259,449
US Agencies	8,050,794	3,844,704	4,067,409	-	138,681
US Treasuries	1,111,761	-	-	1,111,761	-
Total	<u>\$ 19,936,291</u>	<u>\$ 4,129,831</u>	<u>\$ 8,018,237</u>	<u>\$ 5,860,434</u>	<u>\$ 1,927,789</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 3 - Deposits and Investments (continued)

Risk Disclosures (continued)

Interest Rate Risk (continued)

The investment policy for the Retirement Plan for Police Officers and Firefighters does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments in government securities and corporate bonds totaled 29.2% of the portfolio and had the following distribution of maturities at September 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
US Treasuries	\$ 1,122,555	\$ -	\$ -	\$ 1,122,555	\$ -
US Agencies	14,282,575	9,283,268	4,299,758	-	699,549
Fixed income mutual fund	2,615,879	363,084	1,141,569	780,840	330,386
Corporate bonds	14,765,288	-	3,990,532	7,929,540	2,845,216
Total	\$ 32,786,297	\$ 9,646,352	\$ 9,431,859	\$ 9,832,935	\$ 3,875,151

Note 4 – Receivables

Accounts Receivable

Accounts receivable at September 30, 2020 for the City's individual major funds and non-major funds in the aggregate, are as follows:

	<u>Non-major</u>			<u>Non-major</u>			<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Enterprise</u>	
Account Receivable							
Billed	\$ 2,690,813	\$ -	\$ 13,586,531	\$ 2,925,695	\$ 2,670,017	430,654	\$ 22,303,710
Unbilled	-	-	-	-	-	-	-
Taxes	1,423,877	-	-	-	-	-	1,423,877
Franchise fees	614,512	-	-	-	-	-	614,512
Intergovernmental	-	404,521	13,690	-	-	-	418,211
Grants	-	399,258	-	-	-	-	399,258
Other	656,460	-	44,399	93,526	-	213	794,598
Gross receivables	5,385,662	803,779	13,644,620	3,019,221	2,670,017	430,867	25,954,166
Less allowance for uncollectibles	1,413,971	-	7,401,341	1,712,337	1,798,602	281,935	12,608,186
Total accounts receivable	\$ 3,971,691	\$ 803,779	\$ 6,243,279	\$ 1,306,884	\$ 871,415	\$ 148,932	\$ 13,345,980

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 4 – Receivables (continued)

Accounts Receivable (continued)

Receivables at September 30, 2020, consist primarily of billed and unbilled charges for services in the enterprise funds. The governmental funds' receivables consist of grants, taxes and intergovernmental receivables mostly due from the state and county pursuant to shared revenue agreements; franchise fees and utility taxes paid in arrears. Other receivables include business tax receipts and fees charged to other municipalities for utility bill processing and collection.

Notes Receivable

The sewer utility reports a long-term loan receivable totaling \$275,298 in association with the State Revolving Loan program for the Highland Village Sewer Connection Project whereby the City has paid for sewer connections to certain properties within Highland Village and the participants will repay the cost over time.

Note 5 - Restricted Assets

Restricted assets are cash and investments held by the City that are likely to require repayment. These resources are classified as restricted cash with offsetting liabilities on the balance sheet. Revenue bond proceeds are required to be expended for the capital improvement projects for which the bonds were issued. Customer deposits are collected in the water, sewer, and solid waste funds and are repaid to the customer at the time the account is closed or applied to the customer's final bill in the case of non-payment. The restricted assets balances at year end are as follows:

	Revenue bond proceeds	Customer Deposits	Total
Business-type activities:			
Water	\$ 50,986,599	\$4,065,023	\$ 55,051,622
Wastewater	11,106,624	476,850	11,583,474
Solid Waste	-	21,837	21,837
Total business-type activities	\$ 62,093,223	\$4,563,710	\$ 66,656,933

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 6 – Interfund Receivables, Payables and Transfers

Interfund Receivables

The purpose of all interfund receivables is to eliminate credit cash balances for financial statement presentation. Interfund receivables as of September 30, 2020 are as follows:

Fund	Due to Other Funds	Due from Other Funds
<u>Governmental Activities</u>		
General Fund	\$ -	\$ 482,183
<u>Non-major Governmental Funds</u>		
Grants Fund	331,866	-
Transit Surtax Fund	133,957	-
Series 2011 Bond Debt Service Fund	16,360	-
Total due to/from other funds	\$ 482,183	\$ 482,183

Interfund transfers

Interfund transfers into the general fund are used to allocate expenses to other operating funds. Allocated costs include general liability and worker's compensation insurances as well as administrative expenses. Interfund transfers into the non-major governmental funds are to provide for debt service payments and grant matching requirements. Interfund transfers made during fiscal year 2020 are as follows:

Transfers out	Transfers In		
	General Fund	Non-major Governmental Funds	Total
General fund	\$ -	\$ 25,488	\$ 25,488
Community Redevelopment Agency	279,406	-	279,406
Non-major governmental funds	207,564	625,301	832,865
Water utility	3,967,240	-	3,967,240
Sewer utility	1,045,060	-	1,045,060
Solid waste	981,354	-	981,354
Non-major enterprise funds	442,565	-	442,565
Information Technology fund	4,861	-	4,861
Total transfers out	\$ 6,928,050	\$ 650,789	\$ 7,578,839

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 7 - Capital Assets

Capital assets activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 4,345,595	\$ -	\$ -	\$ 4,345,595
Construction in progress	28,883,177	3,757,097	-	32,640,274
Total capital assets not being depreciated	<u>33,228,772</u>	<u>3,757,097</u>	<u>-</u>	<u>36,985,869</u>
Capital assets being depreciated				
Buildings	29,752,854	9,386	-	29,762,240
Improvement other than buildings	33,583,929	-	-	33,583,929
Infrastructure	23,985,263	-	-	23,985,263
Furniture, fixtures, machinery and equipment	31,409,830	2,363,526	(786,720)	32,986,636
Total capital assets being depreciated	118,731,876	2,372,912	(786,720)	120,318,068
Less accumulated depreciation				
Buildings	(28,559,496)	(118,049)	-	(28,677,545)
Improvement other than building	(20,193,332)	(1,202,777)	-	(21,396,109)
Infrastructure	(7,852,702)	(776,587)	-	(8,629,289)
Furniture, fixture machinery and equipment	(24,551,420)	(2,005,394)	786,720	(25,770,094)
Total accumulated depreciation	<u>(81,156,950)</u>	<u>(4,102,807)</u>	<u>786,720</u>	<u>(84,473,037)</u>
Total capital assets being depreciated, net	<u>37,574,926</u>	<u>(1,729,895)</u>	<u>-</u>	<u>35,845,031</u>
Governmental activities capital assets, net	<u>\$ 70,803,698</u>	<u>\$ 2,027,202</u>	<u>\$ -</u>	<u>\$ 72,830,900</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated				
Land	\$ 5,871,556	\$ -	\$ -	\$ 5,871,556
Construction in progress	36,537,435	7,023,891	-	43,561,326
Total capital assets not being depreciated	<u>42,408,991</u>	<u>7,023,891</u>	<u>-</u>	<u>49,432,882</u>
Capital assets being depreciated				
Buildings and utility plant	236,946,917	23,693	-	236,970,610
Machinery and equipment	18,722,396	435,613	(132,041)	19,025,968
Total capital assets being depreciated	<u>255,669,313</u>	<u>459,306</u>	<u>(132,041)</u>	<u>255,996,578</u>
Less accumulated depreciation				
Buildings and utility plant	(107,170,263)	(6,793,101)	-	(113,963,364)
Machinery and equipment	(15,850,456)	(643,425)	132,041	(16,361,840)
Total accumulated depreciation	<u>(123,020,719)</u>	<u>(7,436,526)</u>	<u>132,041</u>	<u>(130,325,204)</u>
Total capital assets being depreciated, net	<u>132,648,594</u>	<u>(6,977,220)</u>	<u>-</u>	<u>125,671,374</u>
Business-type activities capital assets, net	<u>\$ 175,057,585</u>	<u>\$ 46,671</u>	<u>\$ -</u>	<u>\$ 175,104,256</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 7 - Capital Assets (continued)

Depreciation

Depreciation expense for fiscal year 2020 was charged to the following functions of the City:

Governmental Activities:	
General government	\$ 2,399,317
Public safety	1,052,523
Parks & Recreation	229,977
Library	46,857
Public works	283,300
Information Technology	90,833
Total depreciation expense - governmental activities	<u>\$ 4,102,807</u>
Business-type activities:	
Water	\$ 5,886,468
Sewer	1,123,994
Stormwater	286,652
SolidWaste	120,473
Building permit	18,939
Total depreciation expense - business-type activities	<u>\$ 7,436,526</u>

Construction Commitments

Beginning in fiscal year 2009, the City received funding for various capital projects from the Florida Department of Environmental Protection State Revolving Loan Fund. These loans are considered grants from the U.S. Environmental Protection Agency passed-through the State of Florida and include \$5.5 million of principal forgiveness. The awards include \$10.0 million for the removal of volatile organic chemicals from drinking water produced by the City's utility plant, \$10.3 million for the installation of an automated meter reading system for the City's water meters, \$1.6 million to facilitate sewer connections to City facilities in the Highland Village neighborhood, \$3.8 million for the inflow and infiltration reduction program, \$3.6 million for the design and construction of a major sewer rehabilitation project. As of fiscal year 2020, all of the City has met its commitments with regard to all of the projects.

Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2020 are as follows:

Major Funds:

General Fund	\$ 78,333
Other governmental funds	<u>671,954</u>
Total encumbrances	<u>\$ 750,287</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 8 – Deferred Outflow/Inflows of Resources

In addition to assets, the Statement of Net Position includes separate sections for the financial statement elements *deferred outflows of resources* and *deferred inflows of resources* that represent consumption of net position and acquisition of net position, respectively that applies to a future period and will be recognized as expenditures or revenues in the future period to which it applies. As of September 30, 2020, the City reported deferred outflows of resources consisting of deferred pension expenses totaling \$21,832,050 and deferred OPEB expenses of \$3,650,211. Deferred inflows of resources consist of business tax receipts (taxes received in advance) that were billed at the end of the fiscal year but are not due until the following fiscal year totaling \$738,389, deferred pension income of \$834,142 and deferred OPEB income of \$353,166.

Note 9 - Long-term Debt

The following schedule provides a summary of the changes in long-term debt for the fiscal year.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation bonds and notes	\$ 14,820,000	\$ -	\$ (1,385,000)	\$ 13,435,000	\$ 1,440,000
Revenue bonds	645,116	-	(645,116)	-	-
Notes payable CRA - Nontaxable	1,250,000	-	(166,667)	1,083,333	166,667
Total bonds and notes payable	16,715,116	-	(2,196,783)	14,518,333	1,606,667
Net pension liability	73,500,087	23,724,639	(14,431,635)	82,793,091	-
Estimated claims	2,472,000	278,000	(563,000)	2,187,000	612,000
Compensated absences	2,637,109	3,203,795	(2,413,041)	3,427,863	1,908,504
Other post employment benefit liability	4,584,048	2,538,965	(1,159,336)	5,963,677	-
Governmental activities long-term liabilities	<u>\$ 99,908,360</u>	<u>\$ 29,745,399</u>	<u>\$ (20,763,795)</u>	<u>\$ 108,889,964</u>	<u>\$ 4,127,171</u>
Business-type activities:					
Revenue bonds	\$ 45,432,884	\$ 90,975,000	\$ (40,712,884)	\$ 95,695,000	\$ 3,975,000
Premium on Revenue bonds	4,206,824	10,267,113	(4,206,824)	10,267,113	524,429
Total revenue bonds payable	49,639,708	101,242,113	(44,919,708)	105,962,113	4,499,429
Notes payable - Stormwater	384,569	-	(190,211)	194,358	194,358
State Revolving Loans - Water	13,958,776	-	(773,881)	13,184,895	794,059
State Revolving Loans - Sewer	6,224,855	-	(393,955)	5,830,900	401,882
Total bonds and loans	70,207,908	101,242,113	(46,277,755)	125,172,266	5,889,728
Net pension liability	10,399,178	3,293,417	(2,294,133)	11,398,462	-
Compensated absences	235,878	297,063	(126,214)	406,727	134,387
Other post employment benefit liability	597,892	541,540	(247,275)	892,157	-
Business-type activities long-term liabilities	<u>\$ 81,440,856</u>	<u>\$ 105,374,133</u>	<u>\$ (48,945,377)</u>	<u>\$ 137,869,612</u>	<u>\$ 6,024,115</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

There are a number of limitations and restrictions contained in the various bond indentures. At September 30, 2020 the City is in compliance, in all material respects, with significant covenants and restrictions except for the debt coverage limits related to wastewater loans established by the State of Florida Department of Environmental Protection Revolving Loan Program and the Wastewater Revenue Bonds, Series 2020. Each agreement requires debt service coverage of at least 1.15 times and the City's coverage for fiscal year 2020 coverage was 0.34 times. Interest and principal payments have been made timely on all debt obligations.

Bonds Payable

On January 29, 2020, the Water Utility issued \$40,030,000 par amount of Water Revenue Bonds, Series 2020A at a premium of \$10,267,112.55 and \$39,945,000 par amount of Taxable Water Revenue Refunding Bonds, Series 2020B at coupon rates of 5%. The proceeds of Series A will be used to invest in the Utility's five-year Capital Improvement Plan. The proceeds of Series B were transferred to TD Bank, N.A. to provide for the escrow requirements for the partial redemption of the Water Revenue Refunding Bonds, Series 2012. The unrefunded portion of the Series 2012 bonds total \$7,730,000 and will be fully redeemed on August 1, 2022. The remainder of the Series 2012 bonds will be considered defeased and the liability will be removed from the Statement of Net Position for the fiscal year September 30, 2020. The refinancing resulted in an economic gain of approximately \$2.7 million and a decrease of approximately \$316,000 in annual debt service payments. The outstanding amount of escrow bonds total \$37,130,000 which is due and payable in full on August 1, 2022.

On June 25, 2020, the Water Utility was awarded a loan from the United States Government under the Water Infrastructure and Finance Innovation Act (WIFIA) administered by the Environmental Protection Agency. The loan was issued at an amount not to exceed \$44,204,486 and will be used for the Norwood Water Treatment Plant Upgrade and Transmission Main Improvements and Replacement Projects. The loan is secured by the Water Utility operating revenues, requires a 51% match and carries an interest rate of 1.36%. Interest becomes payable upon the first drawdown. The principal payback period begins five years after completion of the project which is estimated to be August 1, 2025. The first of 30 annual installments is due on August 1, 2031.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

Bond issues authorized and outstanding at September 30, 2020 are summarized as follows:

<u>General Obligation Bonds and Notes</u>	<u>Principal Outstanding</u>
\$8,190,000 General Obligation Refunding Bond, Series 2012 Capital Appreciation and term bonds; secured by revenues pledged from voted debt millage; due in annual installments of \$585,000 to \$760,000 from May 1, 2013 to May 1, 2024; interest at 2.08%.	\$ 2,955,000
\$14,835,000 Chase Bank, N.A., Promissory Note, Series 2011, secured by revenues pledged from voted debt millage; due in annual installments of \$350,000 to \$1,220,000 from November 1, 2012 to November 1, 2030; interest at 3.99%.	10,480,000
Total General Obligation Bonds and Notes	<u>\$ 13,435,000</u>
<u>Revenue Bonds</u>	
Water Utility System	
\$56,060,000 Water Revenue Refunding Bonds, Series 2012; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$690,000 to \$4,470,000 beginning August 1, 2013 to August 1, 2032; interest at 2.0% to 5.0%.	\$ 5,700,000
\$40,030,000 Water Revenue Bonds, Series 2020A; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$220,000 to \$3,345,000 beginning August 1, 2021 to August 1, 2049; coupon interest at 5.0%; issued at a premium of \$10,267,112.55.	40,030,000
\$39,945,000 Water Revenue Refunding Bonds, Series 2020B; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$980,000 to \$4,250,000 beginning August 1, 2020 to August 1, 2032; interest at 1.816% to 2.656%.	38,965,000
Total Water Utility System Revenue Bonds	84,695,000
Sewer Utility System	
\$11,000,000 Sewer Utility Revenue Note, Series 2020; secured by revenues pledged from gross revenues, less operating expenses of the water utility; due in annual installments of \$600,000 to \$885,000 beginning August 1, 2021 to August 1, 2035; interest at 2.820%.	11,000,000
Total Revenue Bonds	<u>\$ 95,695,000</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

Debt Service Requirements

Debt service requirements to maturity for each bond series at September 30, 2020 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bond, Series 2012			
2021	\$ 720,000	\$ 74,702	\$ 794,702
2022	730,000	56,500	786,500
2023	745,000	38,046	783,046
2024	760,000	19,212	779,212
	<u>\$ 2,955,000</u>	<u>\$ 188,460</u>	<u>\$ 3,143,460</u>
Chase Bank, N.A.			
Promissory Note Series 2011			
2021	\$ 720,000	\$ 490,758	\$ 1,210,758
2022	760,000	454,872	1,214,872
2023	800,000	417,047	1,217,047
2024	845,000	377,161	1,222,161
2025	895,000	334,971	1,229,971
2026-2030	5,240,000	957,510	6,197,510
2031	1,220,000	29,581	1,249,581
	<u>\$ 10,480,000</u>	<u>\$ 3,061,900</u>	<u>\$ 13,541,900</u>
Water Revenue Refunding Bonds			
2012 Series:			
2021	\$ 2,780,000	\$ 285,000	\$ 3,065,000
2022	2,920,000	146,000	3,066,000
	<u>\$ 5,700,000</u>	<u>\$ 431,000</u>	<u>\$ 6,131,000</u>
Water Revenue Bonds			
2020A Series:			
2021	\$ 220,000	\$ 2,001,500	\$ 2,221,500
2022	235,000	1,990,500	2,225,500
2023	-	1,978,750	1,978,750
2024	-	1,978,750	1,978,750
2025	-	1,978,750	1,978,750
2026-2030	-	9,893,750	9,893,750
2031-2035	4,830,000	9,660,250	14,490,250
2036-2040	9,795,000	7,754,250	17,549,250
2041-2045	12,500,000	5,048,750	17,548,750
2046-2049	12,450,000	1,594,250	14,044,250
	<u>\$ 40,030,000</u>	<u>\$ 43,879,500</u>	<u>\$ 83,909,500</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

Bonds Payable (continued)

Debt Service Requirements (continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Water Revenue Refunding Bonds			
2020B Series:			
2021	\$ 375,000	\$ 911,036	\$ 1,286,036
2022	380,000	903,851	1,283,851
2023	3,455,000	896,456	4,351,456
2024	3,520,000	829,947	4,349,947
2025	3,595,000	758,808	4,353,808
2026-2030	19,245,000	2,550,805	21,795,805
2031-2032	8,395,000	333,779	8,728,779
	<u>\$ 38,965,000</u>	<u>\$ 7,184,682</u>	<u>\$ 46,149,682</u>
Sewer Revenue Bonds			
2020 Series:			
2021	\$ 600,000	\$ 310,200	\$ 910,200
2022	615,000	293,280	908,280
2023	635,000	275,937	910,937
2024	650,000	258,030	908,030
2025	670,000	239,700	909,700
2026-2030	3,645,000	904,092	4,549,092
2031-2035	4,185,000	360,678	4,545,678
	<u>\$ 11,000,000</u>	<u>\$ 2,641,917</u>	<u>\$ 13,641,917</u>

State Revolving Loan Programs

In 2009, the City began participating in the Revolving Loan Program administered by the State of Florida. This program provides funding for local governments from the Department of Environmental Protection for the construction of wastewater pollution control facilities and public water systems. The loans require semi-annual principal and interest payments and have repayment terms of 20 years with fixed interest rates. Capitalized interest has been included in the loan amount. Primary terms of each agreement are provided as follows:

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

State Revolving Loan Programs (continued)

	<u>Principal Outstanding</u>
State Revolving Loans - Sewer	
\$1,195,062 State Revolving Fund Loan Agreement, Number WW130100; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$35,977 from May 15, 2011 through November 15, 2030; interest at 1.94%.	\$ 680,573
\$366,668 State Revolving Fund Loan Agreement, Number WW130101; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$11,046 from May 15, 2011 through November 15, 2030; interest at a combined rate of 1.86%.	209,885
\$3,752,982 State Revolving Fund Loan Agreement, Number WW130110; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$103,762 from March 15, 2013 through September 15, 2032; interest at 2.10%.	2,191,194
\$365,234 State Revolving Fund Loan Agreement, Number WW745080; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$11,385 from March 15, 2014 to September 15, 2033; interest at 2.05%.	258,687
\$3,247,685 State Revolving Loan Agreement, Number WW 745081; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Sewer System; due in semi-annual installments of \$96,012 from November 15, 2015 through May 15, 2035.	<u>2,490,561</u>
Total Sewer State Revolving Loans	<u>\$ 5,830,900</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

State Revolving Loans – Sewer (continued)

Debt Service Requirements

Debt service requirements to maturity for each loan series at September 30, 2020 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
WW 130100 (Sewer)			
2021	\$ 59,037	\$ 12,918	\$ 71,955
2022	60,187	11,767	71,954
2023	61,361	10,594	71,955
2024	62,557	9,398	71,955
2025	63,776	8,178	71,954
2026-2030	338,023	21,751	359,774
2031	35,632	346	35,978
	<u>\$ 680,573</u>	<u>\$ 74,952</u>	<u>\$ 755,525</u>
WW 130101 (Sewer)			
2021	\$ 18,281	\$ 3,811	\$ 22,092
2022	18,622	3,471	22,093
2023	18,969	3,123	22,092
2024	19,323	2,769	22,092
2025	19,683	2,409	22,092
2026-2030	104,063	6,401	110,464
2031	10,944	102	11,046
	<u>\$ 209,885</u>	<u>\$ 22,086</u>	<u>\$ 231,971</u>
WW 130110 (Sewer)			
2021	\$ 162,357	\$ 45,167	\$ 207,524
2022	165,785	41,740	207,525
2023	169,284	38,240	207,524
2024	172,858	34,666	207,524
2025	176,507	31,017	207,524
2026-2030	940,025	97,595	1,037,620
2031-2032	404,378	10,672	415,050
	<u>\$ 2,191,194</u>	<u>\$ 299,097</u>	<u>\$ 2,490,291</u>
WW 745080 (Sewer)			
2021	\$ 17,556	\$ 5,214	\$ 22,770
2022	17,917	4,852	22,769
2023	18,287	4,483	22,770
2024	18,663	4,106	22,769
2025	19,048	3,721	22,769
2026-2030	101,292	12,554	113,846
2031-2033	65,924	2,385	68,309
	<u>\$ 258,687</u>	<u>\$ 37,315</u>	<u>\$ 296,002</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

State Revolving Loans - Sewer (continued)

Debt Service Requirements (continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
WW 745081 (Sewer)			
2021	\$ 144,651	\$ 47,373	\$ 192,024
2022	147,456	44,568	192,024
2023	150,316	41,708	192,024
2024	153,230	38,794	192,024
2025	156,202	35,822	192,024
2026-2030	827,640	132,480	960,120
2031-2035	911,066	49,050	960,116
	<u>\$ 2,490,561</u>	<u>\$ 389,795</u>	<u>\$ 2,880,356</u>

	<u>Principal Outstanding</u>
<p>\$450,226 State Revolving Fund Loan Agreement, Number DW130102; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Water System; due in semi-annual installments of \$14,592 from February 15, 2011 to August 15, 2031; interest at 2.71%.</p>	\$ 254,144
<p>\$9,575,484 State Revolving Fund Loan Agreement, Number DW130103; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Water System; due in semi-annual installments of \$216,745 from October 15, 2012 to April 15, 2032; interest at 2.58%.</p>	4,450,967
<p>\$10,343,267 State Revolving Fund Loan Agreement, Number DW130130; secured by revenues pledged from the gross revenues less operating expenses and senior debt obligations of the Water System; due in semi-annual installments of \$334,210 from April 15, 2016 to October 15, 2035; interest at 3.06%.</p>	8,479,784
Total Water State Revolving Loans	<u>\$ 13,184,895</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

State Revolving Loans - Water (continued)

Debt Service Requirements (continued)

DW 130102 (Water)

2021	\$ 22,447	\$ 6,736	\$ 29,183
2022	23,060	6,124	29,184
2023	23,689	5,495	29,184
2024	24,335	4,848	29,183
2025	24,999	4,184	29,183
2026-2030	135,614	10,310	145,924
	<u>\$ 254,144</u>	<u>\$ 37,697</u>	<u>\$ 291,841</u>

DW 130103 (Water)

2021	\$ 321,007	\$ 112,483	\$ 433,490
2022	329,319	104,171	433,490
2023	337,846	95,644	433,490
2024	346,595	86,895	433,490
2025	355,570	77,920	433,490
2026-2030	1,920,839	246,611	2,167,450
2031-2032	839,791	27,190	866,981
	<u>\$ 4,450,967</u>	<u>\$ 750,914</u>	<u>\$ 5,201,881</u>

DW 130130 (Water)

2021	\$ 450,605	\$ 217,816	\$ 668,421
2022	462,388	206,033	668,421
2023	474,481	193,940	668,421
2024	486,896	181,525	668,421
2025	499,637	168,784	668,421
2026-2030	2,701,406	640,699	3,342,105
2031-2035	3,074,461	267,644	3,342,105
2036	329,910	4,301	334,211
	<u>\$ 8,479,784</u>	<u>\$ 1,880,742</u>	<u>\$ 10,360,526</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

Notes Payable

Note issues authorized and outstanding at September 30, 2020 are summarized as follows:

Community Redevelopment	<u>Outstanding</u>
\$3,000,000 Bank of America, Community Redevelopment Agency, Non-taxable, Series 2007A, secured by Tax Increment Financing revenues; principal and interest payments are due quarterly from May 1, 2009 to February 1, 2027; interest is paid at a variable rate	\$ 1,083,333
Stormwater	
\$1,672,000 Branch Banking & Trust Company Promissory Note, Series 2011A; secured by revenues pledged from net stormwater utility revenues; due in annual installments of \$64,858 to \$194,358 from May 1, 2012 to May 1, 2021; interest at 2.18%.	\$ 194,358
Total Notes Payable	<u><u>\$ 1,277,691</u></u>

Debt Service Requirements

Debt service requirements to maturity for each note series at September 30, 2020 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Bank of America, CRA Non-taxable			
Series 2007A			
2021	\$ 166,667	\$ 30,211	\$ 196,878
2022	166,667	25,279	191,946
2023	166,667	20,346	187,013
2024	166,667	15,414	182,081
2025	166,667	10,481	177,148
2026-2027	249,998	6,474	256,472
	\$ 1,083,333	\$ 108,205	\$ 1,191,538
 Branch Banking and Trust Company			
Promissory Note Series 2011A			
2021	\$ 194,358	\$ 4,238	\$ 198,596

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 9 - Long-term Debt (continued)

Pledged Revenues

An evaluation of the sufficiency of pledged revenues for all of the City's long-term debt for fiscal year ending September 30, 2020 follows:

<u>Issue</u>	<u>Revenue Source</u>	<u>Ratio</u>
General Obligation Bonds and Notes		
Series 2011	Voted debt millage	1.00
Series 2012	Voted debt millage	1.00
Revenue Bonds		
Series 2012	Gross revenue less operating expenses	2.16
Series 2013	Transit surtax revenue	2.72
Series 2015	Gross revenue less operating expenses	8.07
Series 2020A*	Gross revenue less operating expenses	100.00
Series 2020B	Gross revenue less operating expenses	18.57
Sewer Revenue 2020	Gross revenue less operating expenses	4.17
Notes issues:		
Series 2007B	TIF revenue and interest earnings	12.89
Series 2011A	Operating revenue less operating expenses	2.09
State Revolving Loans:		
DW Series	Gross revenue less operating expenses and senior debt obligations	3.73
WW Series	Gross revenue less operating expenses and senior debt obligations	0.34

Note 10 – Risk Management

Self-Insurance

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. The City established a risk management program for workers' compensation and general liabilities. Premiums are paid into the self-insurance funds, which are reported with the General Fund. Florida law limits the liability in negligence matters to \$200,000 per person up to \$300,000 per occurrence. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic factors.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 10 – Risk Management (continued)

Self-Insurance (continued)

There were no reductions in insurance coverages from the prior years, however, the deductible on property insurance changed from \$50,000 to \$100,000 in order to contain costs. The City did not settle any claims that exceeded this coverage within the last three fiscal years. Additional coverage was obtained to protect the City from employment practices liability, after a careful market review. Finally, in order to ensure that an effective, comprehensive risk management program is in place, careful analysis of all coverage and related activity is monitored on a regular basis.

Balances and changes in the balances of claims liabilities during the past two fiscal years are as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning	\$ 2,472	\$ 3,042
IBNR claims	278	623
Claim payments	<u>(563)</u>	<u>(1,193)</u>
Unpaid claims, ending	<u>\$ 2,187</u>	<u>\$ 2,472</u>

Contingent Liabilities

Federal and State programs were audited in accordance with the provisions of the Single Audit Act, the U.S. Office of Management and Budget Circular A-133, and the Rules of the Auditor General of the State of Florida. Pursuant to those provisions, financial assistance programs were tested for compliance with applicable grant requirements. Grantor agencies may subject grant programs to additional compliance tests, which could result in disallowed expenditures. Future disallowances of grant program expenditures, while not expected, could be material.

Litigation

The City is the defendant in several lawsuits incidental to its operations. Based upon the City Attorney's evaluation of pending cases, the estimated liability to which the City might be exposed is below \$1.0 million. The self-insurance funds, which are included in the General Fund, have assigned fund balances of approximately \$4.5 million at September 30, 2020.

Risks and Uncertainties

During March 2020, the COVID-19 virus was declared a global pandemic. The City has taken significant and unprecedented measures to mitigate the effects of the pandemic. Management is carefully monitoring the situation and is continually evaluating conditions and options. No adjustments have been made to these financial statements as a result of this uncertainty.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems

The City, as a single employer, maintains the following three public employee retirement system defined benefit pension plans covering substantially all full-time employees and certain former City firemen: the Retirement Plan for General Employees of the City of North Miami Beach, the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach and the Retirement Plan and Trust for General Management Employees of the City of North Miami Beach. These Plans are recorded as Pension Trust Funds. The Plans are administered by separate Boards of Trustees. In accordance with various provisions of State statutes and the City Charter, the City is obligated to fund the liabilities of the Plans based upon actuarial valuations performed at least every two years.

The Retirement Plan for General Employees of the City of North Miami Beach and the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach issue a publicly available report that includes financial statements and required supplementary information for the Plans. These reports may be obtained by writing to: City of North Miami Beach Employees' Retirement System, 17011 NE 19th Ave., North Miami Beach, Florida 33162.

Plan Membership

Membership in each of the City's pension plans is included in the following schedule.

	<u>General Employees</u>	<u>Police & Firefighters</u>	<u>General Management Employees</u>	<u>OPEB</u>
Covered Payroll	\$ 5,695,108	\$ 6,087,500	\$ 812,928	\$ 20,537,603
Plan members:				
Currently receiving or entitled to receive benefits	346	169	40	337
Active employees				301
Vested	61	26	2	
Non-vested	54	43	9	
Total members	461	238	51	638

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Summary of Significant Accounting Policies

Basis of Accounting

Public Employee Retirement Systems (PERS) financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

The investment portfolios of the Retirement Plan for General Employees and the Retirement Plan for Police Officers and Firefighters are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are based on quoted prices in active markets for identical assets; Level 2 inputs are based on significant other observable inputs; Level 3 inputs are based on unobservable inputs. A description of valuation methodologies follows.

Common stock: closing price reported on the New York Stock Exchange

Government securities: pricing models maximizing observable inputs for similar securities

Corporate bonds: pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Hedge funds: net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

Real estate: net asset value of shares held by the Plan at year end. The Plans have investments in a private market real estate investment for which no liquid public market exists.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Method Used to Value Investments (continued)

The following tables present the Plans' fair value hierarchy for investments at fair value at September 30, 2020:

Retirement Plan for General Employees		<u>Fair Value Measurement Using</u>	
<u>Investment by fair value level</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Equity securities	\$51,542,097	\$ 51,542,097	\$ -
Debt securities:			
U.S. treasury securities	1,111,761	1,111,761	-
U.S. agency securities	8,050,794	-	8,050,794
Fixed income mutual fund	2,054,229	2,054,229	-
Corporate bonds	<u>8,719,507</u>	<u>-</u>	<u>8,719,507</u>
Total debt securities	<u>19,936,291</u>	<u>3,165,990</u>	<u>16,770,301</u>
Total assets at fair value	<u>\$71,478,388</u>	<u>\$ 54,708,087</u>	<u>\$ 16,770,301</u>

Retirement Plan for Police Officers and Firefighters

Retirement Plan for Police Officers and Firefighters		<u>Fair Value Measurement Using</u>	
<u>Investment by fair value level</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Equity securities	\$ 59,450,475	\$ 59,450,475	\$ -
Debt securities:			
U.S. treasury securities	1,122,555	1,122,555	-
U.S. agency securities	14,282,575	-	14,282,575
Fixed income mutual fund	2,615,879	2,615,879	-
Corporate bonds	<u>14,765,288</u>	<u>-</u>	<u>14,765,288</u>
Total debt securities	<u>32,786,297</u>	<u>3,738,434</u>	<u>29,047,863</u>
Total assets at fair value	<u>\$ 92,236,772</u>	<u>\$ 63,188,909</u>	<u>\$ 29,047,863</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions

The following brief descriptions of the Retirement Plans are provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

Retirement Plan for General Employees

The benefit provisions and all other requirements of the Retirement Plan for General Employees are established by City Ordinance and are summarized as follows:

Vesting

Benefits are fully vested after 6 years of credited service if attained prior to September 30, 2013 and 10 years thereafter.

Eligibility for Retirement

Attainment of age 62 or age 55 with 20 years of credited service; or attainment of age 55 with 15 years of credited service, or completion of 20 years of credited service; or attainment of age 62 with 10 years of credited service, or age 60 with 25 years of credited service depending on bargaining unit and hire date.

Annual Retirement Benefit

Normal retirement benefits are based upon 3.0% of "final monthly compensation" ("FMC"), as defined by the pension plan, times years of credited service through December 31, 2013 and 2.5% of "FMC" times credited service after December 31, 2013.

Other Benefits

The Plan provides for optional retirement benefits, early retirement, deferred retirement, deferred retirement option program (DROP) disability retirement and death benefits to some members.

Employee Contributions

Employees contribute 7% of their basic annual compensation beginning after two years of service. If any employee leaves covered employment before vesting, accumulated employee contributions plus interest are refunded to the employee.

City Contributions

City contributions are based upon actuarially determined amounts, which together with employee contributions and fund earnings, are sufficient to fund the plan. The City's actuarially determined and actual contribution amount for the current year was 3,375,895, or 52.22% of covered payroll.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Retirement Plan for General Employees (continued)

Actuarial methods and assumptions

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the October 1, 2019 actuarial valuation using the entry age normal cost method. Additional information as of the latest actuarial valuation follows:

Valuation Date	October 1, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	30 years
Asset valuation method	Smoothed market value

Actuarial Assumptions

Investment rate of return	7.65%
Projected salary increases	3.5% to 5.0%
Cost of living adjustments	0%, 0.75%, 2.25%
Inflation	2.75%

RP 2000 Combined Mortality Table for males and females with fully generational projections to each future decrement date using Scale BB

Retirement Plan for Police Officers and Firefighters

The benefit provisions and all other requirements of the Retirement Plan for Police Officers and Firefighters are established by City Ordinance and are summarized as follows:

Vesting

Benefits are fully vested after ten years of credited service.

Eligibility for Retirement

Normal retirement is the earlier of age 52 or 22 years of service for firefighters and the earlier of age 52 or 20 years of credited service for police officers.

Annual Retirement Benefit

Normal retirement benefits are based upon 3.3% for firefighters and 3% for police officers of "final monthly compensation", as defined by the pension plan, times years of credited service.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Retirement Plan for Police Officers and Firefighters (continued)

Other Benefits

The Plan also provides for optional retirement benefits, early retirement, deferred retirement, deferred retirement option program (DROP) disability retirement and death benefits.

Employee Contributions

7% of pretax earnings

City Contributions

City contributions are based upon actuarially determined amounts, which together with employee and state contributions and fund earnings are sufficient to fund the Plan. The City's actuarially determined and actual contribution amounts for the current year were \$6,273,855 or 96.51% of covered payroll.

Actuarial methods and assumptions

Pursuant to Florida Statutes Section 185 and Section 175, the State of Florida makes contributions to fund police and firefighter benefits. These State contributions were recognized as revenue and expenditures by the City. During fiscal year 2020, the amounts were \$327,378 and \$179,135 for police and firefighters, respectively. Information related to the latest actuarial valuation, follows:

Valuation Date	October 1, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	Smoothed market value
Investment rate of return	8.00%
Projected salary increases	3.00%
Cost of living adjustments	2.5% on or before 1/31/2 1.5% after 1/31/2016
Inflation	3.00%
RP 2000 Generational, males-10% White Collar/90% Blue Collar Scale BB females-100% White Collar Scale BB	

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Retirement Plan and Trust for General Management Employees

On January 7, 2003, the City Commission approved the creation of the General Management Employees Pension Plan. The Plan includes all full-time employees not eligible for inclusion in the General Employees or Police and Firefighters Plans. The creation of this plan allowed employees previously in the City's defined contribution 401(a) plan the option of transferring their holdings and join this Plan. During fiscal year 2013, the Plan was amended to reduce the cost of providing retirement benefits to the City's management.

The Florida Municipal Pension Trust Fund, a division of the Florida League of Cities, administers the Plan. The benefit provisions and all other requirements of the Plan are established by City ordinance and are summarized as follows:

Vesting

Benefits are fully vested after six years of credited service, 50% after four years.

Eligibility for Retirement

Normal retirement is the attainment of the age at which normal social security benefits may be collected with four years of service.

Annual Retirement Benefit

Normal retirement benefits are based upon 3% of "average final compensation", as defined by the pension plan, times the number of years of credited service prior to February 1, 2013 and 2% thereafter.

Employee Contributions

Management personnel contribute 8% of their basic annual compensation.

City Contributions

City contributions are based upon actuarially determined amounts, which together with employee contributions and fund earnings are sufficient to fund the Plan. The City's actuarially determined contribution amount and actual contributions for the current year were \$364,641 or 44.86% of covered payroll.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Retirement Plan and Trust for General Management Employees (continued)

Actuarial methods and assumptions

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the October 1, 2019 actuarial valuation using the aggregate actuarial cost method.

Additional information related to the actuarial valuation follows:

Valuation Date	October 1, 2019
Actuarial cost method	Aggregate
Amortization method	Level dollar, fixed
Remaining amortization period	18 years
Asset valuation method	Market value

Actuarial Assumptions

Investment rate of return	7.50%
Inflation	2.92%
Projected salary increases	4.00%
Cost of living adjustments (prior to February 1, 2013)	2.25%

PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality
with full generational improvements using sex-distinct Scale MP-2018

Florida Retirement System (FRS) and Retiree Health Subsidy Program (HIS)

The City contributes to the FRS and HIS on behalf of its elected officials. FRS is a cost-sharing multiple employer defined benefit pension plan established by and administered in accordance with Chapter 121, Florida Statutes. HIS is a cost-sharing multiple employer defined benefit pension plan established by and administered in accordance with section 112.363, Florida Statutes. The City's covered payroll for the 7 elected officials covered by the FRS and HIS for the year ended September 30, 2020 was \$21,765.

Vesting

Benefits are fully vested after eight years of credited service.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Florida Retirement System (FRS) and Retiree Health Subsidy Program (HIS) (continued)

Eligibility for Retirement

Normal retirement is the attainment of the age 65 or after 33 years of creditable service.

Annual Retirement Benefit

Normal retirement benefits are based upon 3% of "average final compensation", as defined by the pension plan, times the number of years of credited service.

Employee Contributions

Elected officials contribute 3% of their basic annual compensation.

City Contributions

City contributions are established by the Florida Legislature. The City's proportionate share of pension contributions and allocated contributions were as follows:

Contribution Period	Florida Retirement System	
	Proportion	Contribution
July 1, 2017 to June 30, 2018	0.000226949%	\$ 6,468
July 1, 2018 to June 30, 2019	0.000310992%	9,643
July 1, 2019 to June 30, 2020	0.000289141%	9,607
Contribution Period	Health Insurance Subsidy	
	Proportion	Contribution
July 1, 2017 to June 30, 2018	0.000060319%	\$ 327
July 1, 2018 to June 30, 2019	0.000064542%	358
July 1, 2019 to June 30, 2020	0.000063441%	366

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Plan Descriptions (continued)

Florida Retirement System (FRS) and Retiree Health Subsidy Program (HIS) (continued)

Actuarial methods and assumptions

Actuarially determined contribution amounts for the Plan for the current year were determined as part of the July 1, 2019 actuarial valuation using the individual entry age method. Additional information related to the actuarial valuation follows:

Valuation Date	July 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	5 years smoothed

Actuarial Assumptions

Investment rate of return	FRS - 6.8%; HIS - 2.21%
Inflation	2.40%
Projected salary increases	3.25%
Cost of living adjustments (prior to July 1, 2011)	3.00%

PUB-2010 base table varies by member category and sex
projected generationally with Scale MP-2018

Additional audited financial information, Comprehensive Annual Financial Report and actuarial reports may be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
PO Box 9000
Tallahassee, FL 32315-9000

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Net Pension Liability

Discount Rate

The discount rate used to measure the total pension liability was 7.55% for the Retirement Plan for the General Employees, 7.50% for the Retirement Plan for Police Officers and Firefighters, 7.50% for the Retirement Plan and Trust for General Management Employees, 6.80% for the FRS and 2.21% for the HIS Program. These rates were based on the expected rate of return on Plan investments. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following table presents the City's net pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates to indicate the sensitivity of the net pension liability to changes in discount rate assumptions.

<u>Retirement Plan</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees (7.55%)	\$ 47,313,155	\$ 33,973,607	\$ 22,900,513
Police and Firefighters (7.50%)	77,670,652	58,331,552	42,405,367
General Management (7.50%)	4,170,007	1,753,330	(278,259)
Florida Retirement System (6.80%)	200,112	125,318	62,850
Health Insurance Subsidy (2.21%)	8,954	7,746	6,757

Long-term Expected Rate of Return

Long-term expected rates of return on the Plans' investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Net Pension Liability (continued)

Long-term Expected Rate of Return (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the General Employees, the Police and Firefighters and the General Management Employees Plans' target asset allocations as of October 1, 2019 and the Florida Retirement System Plan as of July 1, 2019 are summarized in the following table:

<u>Retirement Plan</u>	<u>Asset Class</u>	<u>Real Rate of Return</u>
General Employees	Large Cap Value	6.97%
	Large Cap Growth	7.16%
	Small/Mid Cap Value	7.65%
	Mid Cap Growth	7.85%
	International Value	6.20%
	International Growth	6.20%
	Hedge Funds	4.30%
	Infrastructure	6.44%
	Real Estate	6.27%
	Fixed Income	1.83%
Police and Firefighters	Large Cap Value	6.97%
	Large Cap Growth	7.16%
	Small/Mid Cap Value	7.65%
	Mid Cap Growth	7.85%
	International Value	6.20%
	International Growth	6.20%
	Infrastructure	6.44%
	Real Estate	6.27%
	Fixed Income	1.83%
	General Management	Core Bonds
Core Plus		2.10%
US Large Cap Equity		4.60%
US Small Cap Equity		5.50%
Non-US Equity		6.70%
Core Real Estate		5.00%
Florida Retirement System	Cash	2.20%
	Fixed Income	3.00%
	Global Equity	8.00%
	Real Estate	6.40%
	Private Equity	10.80%

The Health Insurance Subsidy plan is not pre-funded and therefore uses the municipal bond rate of 2.79% to calculate the total pension liability of the plan.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Changes in the Net Pension Liability

The Schedule of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Contributions presented as Required Supplementary Information following the Notes to the Financial Statements present multiyear trend information about the City's pension liability and its progress toward funding that liability over time.

	Retirement Plan				
	General Employees	Police and Firefighters	General Management Employees	Florida Retirement System	Health Insurance Subsidy
Total pension liability - beginning	\$ 112,557,540	\$ 155,311,581	\$ 22,424,045	\$ 572,535	\$ 7,290
Changes for the year					
Service cost	551,760	1,696,546	185,385	7,655	168
Interest	8,371,153	11,420,764	1,640,739	38,915	255
Difference between expected and actual experience	328,330	1,037,755	(336,013)	1,297	288
Change of assumptions	1,205,340	-	-	5,026	306
Adjustment for Chapter 175/185 reserves	-	80,401	-	-	-
Benefit payments	(7,566,804)	(9,636,758)	(1,418,952)	(32,950)	(321)
Net change in total pension liability	2,889,779	4,598,708	71,159	19,943	696
Total pension liability - ending (a)	<u>\$ 115,447,319</u>	<u>\$ 159,910,289</u>	<u>\$ 22,495,204</u>	<u>\$ 592,478</u>	<u>\$ 7,986</u>
Plan fiduciary net position - beginning	\$ 83,212,413	\$ 102,904,629	\$ 20,391,182	\$ 472,961	\$ 192
Employer contributions	3,205,197	5,843,206	364,641	9,607	366
Employee contributions	416,359	781,702	84,858	2,164	-
Other contributions	-	490,173	-	-	-
Net investment income	2,387,615	1,399,995	1,380,778	15,440	3
Benefit payments	(7,566,804)	(9,636,758)	(1,418,952)	(32,950)	(321)
Administrative expenses	(181,068)	(204,210)	(60,633)	(62)	-
Net change in plan fiduciary net position	(1,738,701)	(1,325,892)	350,692	(5,801)	48
Plan fiduciary net position - ending (b)	<u>\$ 81,473,712</u>	<u>\$ 101,578,737</u>	<u>\$ 20,741,874</u>	<u>\$ 467,160</u>	<u>\$ 240</u>
Net pension liability (a-b)	<u>\$ 33,973,607</u>	<u>\$ 58,331,552</u>	<u>\$ 1,753,330</u>	<u>\$ 125,318</u>	<u>\$ 7,746</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

Deferred outflows and inflows of resources and pension costs related to pensions are as follows:

	Retirement Plan				
	General Employees	Police and Firefighters	General Management Employees	Florida Retirement System	Health Insurance Subsidy
<u>Deferred outflows</u>					
Difference between expected and actual experience	\$ 109,443	\$ 1,174,040	\$ 1,578,868	\$ 4,796	\$ 317
Difference between expected and actual earnings on investments	1,654,845	4,588,112	110,631	7,462	6
Changes in assumptions	<u>401,780</u>	<u>2,122,514</u>	<u>-</u>	<u>22,687</u>	<u>833</u>
Subtotal	2,166,068	7,884,666	1,689,499	34,945	1,156
Contributions subsequent to the measurement date	<u>3,375,895</u>	<u>6,273,855</u>	<u>364,641</u>	<u>10,372</u>	<u>395</u>
Total deferred outflows and contributions subsequent to the measurement date	<u>\$ 5,541,963</u>	<u>\$ 14,158,521</u>	<u>\$ 2,054,140</u>	<u>\$ 45,317</u>	<u>\$ 1,551</u>
<u>Deferred inflows</u>					
Difference between expected and actual experience	\$ -	\$ -	\$ 833,686	\$ -	\$ 6
Changes in assumptions	-	-	-	-	450
Difference between expected and actual earnings on investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 833,686</u>	<u>\$ -</u>	<u>\$ 456</u>
Pension Expense	\$ 5,601,865	\$ 13,028,837	\$ (355,944)	\$ 28,712	\$ 492

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows and deferred inflows of resources related to pension expense will be recognized as follows:

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

Fiscal Year:	Retirement Plan				
	General Employees	Police and Firefighters	General Management Employees	Florida Retirement System	Health Insurance Subsidy
2021	\$ 730,030	\$ 4,198,702	\$ (190,720)	\$ 7,201	\$ 194
2022	107,581	1,151,790	460,385	11,215	144
2023	580,627	1,290,679	358,440	9,533	39
2024	747,830	1,243,495	194,887	5,699	91
2025	-	-	32,821	1,297	124
After	-	-	-	-	108
	\$ 2,166,068	\$ 7,884,666	\$ 855,813	\$ 34,945	\$ 700

Management Employees Excess Benefits Plan

Plan Description

On January 7, 2003, the City established the Management Employees Excess Benefit Plan as part of the General Management Employees Pension Plan to be an unfunded, nonqualified excess benefit plan, containing the terms and provisions set forth in the subpart (Sec. 15-341) and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code.

Excess Benefit Participants

Any member of the Retirement Plan and Trust for General Management Employees whose retirement benefit exceeds the maximum benefit under Section 415 of the Code is a participant.

Benefits Provided

A participant shall be eligible to receive benefits after termination of employment, as an unrestricted monthly benefit that otherwise would have been received under the terms of the Retirement Plan and Trust for General Management Employees in the absence of IRS Code Section 415 limits.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Management Employees Excess Benefits Plan (continued)

Funding Policy

The City cannot advance fund assets, or any benefit payable under the Plan, and any assets held by the Plan during any period can only pay benefits coming due or the expenses of the plan during the period. The City cannot restrict any assets to provide funding for these benefits. The City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan. An actuarial valuation has not been performed because the plan costs must be paid on an annual basis. A schedule of changes in net pension liability has not been provided as the plan does not maintain assets. Accordingly, the plan held no assets at September 30, 2020. The City's annual pension cost at September 30, 2020 is as follows:

Annual required contribution	\$ 318,324
Annual pension cost	318,324
Contributions made	<u>318,324</u>
Change in net pension liability	-
Net pension liability, beginning of year	<u>-</u>
Net pension liability, end of year	<u><u>\$ -</u></u>

Retirement Plan and Trust for General Management Employees

On July 18, 2017, City Commission approved Ordinance 2017-8 to close the Retirement Plan and Trust for General Management Employees to new members and provided for the option of existing non-vested plan members to transfer to the Management Employee Defined Contribution Money Purchase Plan. As part of that ordinance, the Money Purchase Plan was also amended to reduce the City's contribution from 17% of members' salary to 10%.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 11 - Employee Retirement Systems (continued)

Retirement Plan and Trust for General Management Employees (continued)

Separate stand-alone financial statements are not issued for the Retirement Plan and Trust for General Management Employees. Therefore, presented below are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position for the current year:

Statement of Fiduciary Net Position

Retirement Plan and Trust for General Management Employees
As of September 30, 2020

Assets

Investments at fair value	\$ 20,740,269
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Net Position

Net position restricted for pensions	\$ 20,740,269
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Statement of Changes in Fiduciary Net Position

Retirement Plan and Trust for General Management Employees
For the Year Ended September 30, 2020

Additions

Contributions:

Employer	\$ 364,641
Employees	84,784

Investment income:

Net appreciation in fair value of investments	1,380,778
Investment expenses	(12,550)

Total additions	1,817,653
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Deductions

Pension benefit payments	1,418,952
Administrative expenses	48,083

Total deductions	1,467,035
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Increase in net position	350,618
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Net position - beginning	20,389,650
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Net position - ending	\$ 20,740,268
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CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 12 - Defined Contribution Plan

The City is a single employer that contributes to two Money Purchase Plans, which are defined contribution pension plans created in accordance with Internal Revenue Code 401(a). The City contributes 10% of annual covered payroll and the employee is required to contribute 5% for the Management Plan. The City contributes 20% of annual covered payroll and the employee is not required to contribute to the Charter Officer Plan. During the fiscal year ending September 30, 2020, the City did not make any contributions to the Charter Officer Plan and approximately \$272,840 to the Management Plan. Plan provisions and contribution requirements are established and may be amended by the City Manager.

Note 13 - Other Post-Employment Benefits (OPEB)

Description of Benefits

In addition to providing the pension benefits described, the City provides optional post-employment healthcare coverage to eligible individuals, as well as dental and vision benefits. In addition, all retirees are covered by a group life insurance policy under a single-employer plan.

Eligibility

Eligible individuals include certain regular employees of the City of North Miami Beach who retire from active service and are eligible for retirement or disability benefits under one of the pension plans sponsored by the City. Elected officials elected prior to October 1, 2008 are eligible after serving at least four terms. In most cases, eligibility for healthcare coverage also includes spouses and dependent children. Spousal coverage generally ends at age 65 or after the employee's death.

Healthcare Plans

Eligible individuals may choose healthcare coverage under three plans from the City's current health insurance provider. Options include a Health Maintenance Organization (HMO) plan, a Preferred Provider Organization (PPO) plan or a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) partially funded by the City. Medicare-eligible individuals may choose any of the three plans or choose coverage under a Medicare supplement plan. Retirees must pay a monthly premium as determined by the insurance carrier, less any applicable subsidies provided by the City. The premiums vary depending on the chosen plan and the type of coverage.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 13 - Other Post-Employment Benefits (continued)

The City subsidizes 100% of the premium for single coverage under the PPO plan for eligible elected officials. In addition, the City subsidizes a portion of the premium for single coverage under the PPO plan for retired management-level personnel (and some currently employed) hired prior to October 1, 2008 depending on age and length of service at retirement.

Post-employment Life Insurance Coverage

The City provides \$ 10,000 of life insurance coverage to all retirees. Management-level personnel receive an additional \$10,000 of coverage if they have earned at least 15 years of service at retirement or an additional \$20,000 of coverage if they have earned at least 20 years of service.

Actuarial methods and assumptions

During fiscal year 2011, the City established an OPEB Trust to accumulate the assets necessary to fund the OPEB liability and to pay future benefits. The fund in which the employee's payroll expense has been recorded is typically used to liquidate OPEB liabilities. The annual required contributions for the Plan were determined as part of the October 1, 2019 actuarial valuation using the projected unit credit cost method. Information related to the actuarial valuation follows:

Actuarial methods and assumptions (continued)

Valuation Date	October 1, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Healthcare cost trend rate	5.00%
Inflation	2.77%
PUB-2010 with generational improvements using Scale MP-2018	

Net OPEB Liability

Target Allocation and Long-term Expected Rate of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Bonds	15.00%	1.60%
Core Plus	15.00%	2.10%
US Large Cap Equity	34.00%	4.60%
US Small Cap Equity	11.00%	5.50%
Non-US Equity	15.00%	6.70%
Core Real Estate	10.00%	5.00%

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 13 - Other Post-Employment Benefits (continued)

Changes in the Net OPEB Liability

Discount Rate

The rate of 3.71% per annum was used to discount all future benefit payments and is based on the expected long-term return on assets, which was determined as of the valuation date by the Asset Consulting Group.

Sensitivity of the Net OPEB Liability to the Discount & Healthcare Cost Trend Rate Assumptions

The following tables present the City's net OPEB liability calculated using the current discount and healthcare cost trend rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates to indicate the sensitivity of the net OPEB liability to changes in rate assumptions.

<u>Rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Discount Rate (3.71%)	\$ 8,237,923	\$ 6,855,834	\$ 5,725,590
Healthcare Cost Trend Rate (5.00%)	5,995,877	6,855,834	7,886,953

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of September 30, 2019	\$ 8,898,289	\$ (3,716,349)	\$ 5,181,940
Change due to:			
Service cost	548,507	-	548,507
Expected interest growth	341,008	(268,135)	72,873
Unexpected investment income	-	18,915	18,915
Demographic experience	(373,348)	-	(373,348)
Employer contributions	-	(250,000)	(250,000)
Benefit payments & refunds	(515,128)	-	(515,128)
Administrative expenses	-	17,777	17,777
Assumption changes	<u>2,154,298</u>	<u>-</u>	<u>2,154,298</u>
Balance as of September 30, 2020	<u>\$ 11,053,626</u>	<u>\$ (4,197,792)</u>	<u>\$ 6,855,834</u>

OPEB expense recognized for fiscal year ending September 30, 2020 totaled \$1,565,061.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 13 - Other Post-Employment Benefits (continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

Fiscal Year:	OPEB Amortization
2021	\$ 1,441,030
2022	1,265,793
2023	540,304
2024	80,476
2025	-
After	-
	\$ 3,327,603

Summary of Deferred Outflows and Inflows

	Deferred Outflows	Deferred Inflows
Unexpected investment income	\$ 25,532	\$ 40,591
Demographic experience	477,013	312,575
Assumption changes	3,178,224	-
Contributions subsequent to measurement date	250,000	-
Total	\$ 3,930,769	\$ 353,166

Note 14 - Community Redevelopment Agency

The North Miami Beach Community Redevelopment Agency (NMBCRA) Component Unit incurred the following expenditures during the fiscal year ended September 30, 2020:

<u>Expenditures</u>	<u>Amount</u>
General government	\$ 652,681
Capital outlay	287,127
Debt service:	
Principal	166,667
Interest	28,827
Total expenditures	\$ 1,135,302

In 2020, the CRA sponsored the OneNMB Concert Series and partially funded a parking study and hired a consultant to develop programming for the redevelopment area.

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 14 - Community Redevelopment Agency (continued)

Tax Abatements

During fiscal year 2015, the CRA created a new redevelopment program aimed at spurring the redevelopment of properties within the redevelopment area via CRA Policy Resolution 2015-4. Applicants whose projects are deemed acceptable to the CRA Board may receive a partial return of the property taxes that were paid. The rebate is calculated based on the increment by which the development increases in property value. A total of 75% of the taxes paid on the increment will be rebated if the total real estate taxes are paid prior to delinquency. If the taxes are not paid timely, there is no rebate of the property tax increment. This rebate program has no effect on the revenues of the primary government, the City of North Miami Beach.

One award was granted in January 2016 to the NoMa project, a 249 residential unit mixed use development located at 2145 NE 164th Street and West Dixie Highway. As part of the TIF Recapture program, the recipient has agreed to install certain Waterfront Improvements and Art in Public Places as defined in the agreement. The project was completed during early 2018, which is considered the base year for increment measurement. The amount rebated in fiscal year 2019 was \$264,700 and in fiscal year 2020 was \$433,637.

Note 15 - Pronouncements Issued, Not Yet Effective, and Recently Adopted

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what effect, if any, implementation of the statements may have on the financial statements of the City.

Note 16 – Subsequent Events

On August 4, 2020, the City Commission voted to terminate the contract with CH2M Hill to provide operations, maintenance, repair, replacement and program management services to the Water and Sewer Utilities. The transition to City provided services required extensive involvement from the administrative divisions involving the recruitment, interview and on-boarding of 126 new employees; the purchase of 59 vehicles, 80 computer workstations and laptops along with the purchase and training on 9 new software programs required; the re-establishment of some 33 contracts for goods and services required to operate, maintain and repair the utilities. The first phase of the transition began with the Customer Service and facility maintenance in November 2021. The final transition was completed on February 4, 2021. To date, the transition cost is approximately \$1.65 million.

**III. REQUIRED SUPPLEMENTARY
INFORMATION (Other Than MD&A)**

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive/ (Negative)
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
Taxes:				
Property taxes	\$ 20,020,335	\$ 20,020,335	\$ 19,677,704	\$ (342,631)
User surcharges	7,647,500	7,647,500	8,983,606	1,336,106
Utility taxes	3,594,950	3,594,950	3,635,558	40,608
Communication service taxes	1,600,000	1,600,000	1,643,561	43,561
Sales taxes	3,700,000	3,700,000	3,110,130	(589,870)
Franchise fees	3,098,000	3,098,000	3,149,235	51,235
Fuel taxes	<u>866,000</u>	<u>866,000</u>	<u>754,187</u>	<u>(111,813)</u>
Total taxes	40,526,785	40,526,785	40,953,981	427,196
Intergovernmental:				
State shared revenue	1,750,000	1,750,000	1,655,287	(94,713)
State insurance premium taxes	500,000	500,000	506,513	6,513
Other State and County revenues	<u>166,700</u>	<u>166,700</u>	<u>181,567</u>	<u>14,867</u>
Total intergovernmental	2,416,700	2,416,700	2,343,367	(73,333)
Charges for services:				
General services fees	785,853	785,853	754,623	(31,230)
Parks & recreation fees	969,400	969,400	273,992	(695,408)
Police services fees	<u>140,176</u>	<u>140,176</u>	<u>186,658</u>	<u>46,482</u>
Total charges for services	1,895,429	1,895,429	1,215,273	(680,156)
Fines and forfeitures	1,705,000	1,705,000	1,441,453	(263,547)
Licenses and permits	927,750	927,750	829,106	(98,644)
Other income:				
Investment income	200,000	200,000	740,993	540,993
Impact fees	17,000	17,000	8,997	(8,003)
Miscellaneous	<u>153,300</u>	<u>153,300</u>	<u>349,965</u>	<u>196,665</u>
Total other income	<u>370,300</u>	<u>370,300</u>	<u>1,099,955</u>	<u>729,655</u>
Total revenues	<u>\$ 47,841,964</u>	<u>\$ 47,841,964</u>	<u>\$ 47,883,135</u>	<u>\$ 41,171</u>

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive/ (Negative)
<u>EXPENDITURES</u>	Original	Final	Amounts	
Operating expenditures:				
General government:				
Administrative	\$ 1,580,975	\$ 1,572,277	\$ 1,318,925	\$ 253,352
Legislative	7,896,902	7,934,282	9,434,252	(1,499,970)
Executive	4,463,814	3,937,143	3,163,889	773,254
Human resources	3,001,651	3,849,539	3,309,055	540,484
Financial services	1,551,381	1,546,381	1,366,940	179,441
Total general government	18,494,723	18,839,622	18,593,061	246,561
Public safety	23,549,970	23,872,413	23,355,005	517,408
Library	1,063,093	1,043,112	969,328	73,784
Parks & Recreation	5,059,225	5,054,697	3,978,054	1,076,643
Public services	5,369,145	5,331,275	4,502,543	828,732
Total operating expenditures	53,536,156	54,141,119	51,397,991	2,743,128
Capital Outlay:				
General government	-	362,249	184,505	177,744
Public safety	1,189,800	1,338,884	668,783	670,101
Library	241,447	282,238	188,889	93,349
Parks & Recreation	2,161,663	2,373,127	704,454	1,668,673
Public works	10,214,292	12,577,571	2,398,719	10,178,852
Total capital outlay	13,807,202	16,934,069	4,145,350	12,788,719
Total expenditures	67,343,358	71,075,188	55,543,341	15,531,847
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	6,946,206	6,946,206	6,929,066	(17,140)
Transfers out	(25,488)	(25,488)	(25,488)	-
Prior year appropriations	12,580,676	16,312,506	-	(16,312,506)
Total other financing sources (uses)	19,501,394	23,233,224	6,903,578	(16,329,646)
Net change in fund balance	\$ -	\$ -	\$ (756,628)	\$ (756,628)

See notes to budgetary comparison schedules

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL COMMUNITY REDEVELOPMENT AGENCY

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,484,661	\$ 2,484,661	\$ 2,484,660	\$ (1)
Other income	15,000	15,000	116,038	101,038
Total revenues	2,499,661	2,499,661	2,600,698	101,037
Expenditures:				
Operating:				
General government	2,466,208	2,464,484	652,681	1,811,803
Capital outlay	1,603,347	1,607,347	287,127	1,320,220
Debt service:				
Principal	166,700	166,700	166,667	33
Interest and other fiscal charges	34,000	34,000	28,827	5,173
Total expenditures	4,270,255	4,272,531	1,135,302	3,137,229
Excess (deficiency) of revenues over expenditures	(1,770,594)	(1,772,870)	1,465,396	3,238,266
Other financing sources (uses):				
Transfers out	(279,406)	(279,406)	(279,406)	-
Appropriations of prior year fund balance	2,050,000	2,052,276	-	(2,052,276)
Total other financing sources (uses)	1,770,594	1,772,870	(279,406)	(2,052,276)
Net changes in fund balance	\$ -	\$ -	1,185,990	\$ 1,185,990
Fund balance, beginning			3,161,884	
Fund balance, ending			\$ 4,347,874	

See notes to budgetary comparison schedules

CITY OF NORTH MIAMI BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE SEPTEMBER 30, 2020

Note 1 - Budgets and Budgetary Accounting

Annual budgets are adopted for the General Fund, the Transit Surtax Fund, the Community Redevelopment Agency, the Eastern Shores Special Taxing Districts, the debt service funds and the Alley Restoration Program on a basis consistent with generally accepted accounting principles.

1. Prior to July 1, the City Manager submits a budget estimate of revenues and expenditures for all City departments for the fiscal year commencing October 1 to the City Commission.
2. The City Commission holds budget workshops to review and amend the proposed budget.
3. Two public hearings are conducted to obtain taxpayers' comments.
4. Prior to October 1, the budget is legally enacted through passage of a resolution.
5. No department may legally expend or contract to expend amounts in excess of amounts appropriated for any department within an individual fund. Budget appropriations for salary and related costs and for operating costs lapse at year end. Appropriations for capital outlay expenditures carry forward to the next fiscal year for open purchase orders.
6. The resolution authorizes the City Manager to amend, modify, or otherwise adjust the City's annual budget in accordance with the spending limitations as established by Chapter 3, Purchasing, of the North Miami Beach Code of Ordinances (\$50,000). The City Commission approves all other budget amendments.
7. Encumbrance accounting is used in governmental funds. Encumbered purchase orders outstanding at year-end are reported as assignments of fund balances to indicate that they are not available for appropriation and are not expendable available financial resources.

Note 2 – Negative Variances

The negative variance in the Series 2011 General Obligation Debt Service Fund results from the City failing to appropriately budget the ad valorem revenue. The revenue was budgeted at 100% of the levy, but the County provides discounts of up to 5% for early payment of property taxes. An appropriate amount of excess revenue has been budgeted in fiscal year 2021 to eliminate the fund deficit.

The negative revenue variances in the General Fund are the direct result of the COVID-19 pandemic. The negative variance in the General Fund Legislative expenses are the result of an adjustment to uncollectible accounts receivable as a result of the implementation of a new utility billing software system.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

Measurement date September 30,	Retirement Plan for General Employees					
	2014	2015	2016	2017	2018	2019
Total pension liability - beginning	\$ 98,072,000	\$ 102,007,534	\$ 104,972,279	\$ 106,569,038	\$ 110,816,042	\$ 112,557,540
Changes for the year:						
Service cost	1,258,325	1,151,136	1,156,065	953,146	520,878	551,760
Interest	7,539,274	7,805,702	7,928,162	8,273,928	8,254,998	8,371,153
Difference between expected and actual experience	515,726	867,625	(350,213)	458,125	(1,239,946)	328,330
Change of assumptions	-	-	-	2,910,146	1,375,883	1,205,340
Benefit payments	(5,377,791)	(6,859,718)	(7,137,255)	(8,348,341)	(7,170,315)	(7,566,804)
Net change in total pension liability	3,935,534	2,964,745	1,596,759	4,247,004	1,741,498	2,889,779
Total pension liability - ending (a)	\$ 102,007,534	\$ 104,972,279	\$ 106,569,038	\$ 110,816,042	\$ 112,557,540	\$ 115,447,319
Plan fiduciary net position - beginning	\$ 71,776,351	\$ 77,890,314	\$ 74,770,502	\$ 76,555,716	\$ 79,944,967	\$ 83,212,413
Employer contributions	3,545,108	3,528,201	3,285,155	3,249,182	3,453,684	3,205,197
Employee contributions	643,099	632,868	708,318	551,371	387,959	416,359
Net investment income (loss)	7,469,081	(261,263)	5,109,744	8,115,172	6,816,079	2,387,615
Benefit payments	(5,377,791)	(6,859,718)	(7,137,255)	(8,348,341)	(7,170,315)	(7,566,804)
Administrative expenses	(165,534)	(159,900)	(180,748)	(178,133)	(219,961)	(181,068)
Net change in plan fiduciary position	6,113,963	(3,119,812)	1,785,214	3,389,251	3,267,446	(1,738,701)
Plan fiduciary net position - ending (b)	\$ 77,890,314	\$ 74,770,502	\$ 76,555,716	\$ 79,944,967	\$ 83,212,413	\$ 81,473,712
Net pension liability (a-b)	\$ 24,117,220	\$ 30,201,777	\$ 30,013,322	\$ 30,871,075	\$ 29,345,127	\$ 33,973,607
Plan fiduciary net position as a percentage of total pension liability	76.36%	71.23%	71.84%	72.14%	73.93%	70.57%
Covered payroll	\$ 8,935,213	\$ 8,438,765	\$ 7,937,439	\$ 6,934,420	\$ 5,137,361	\$ 5,695,108
Net pension liability as a percentage of covered payroll	269.91%	357.89%	378.12%	445.19%	571.21%	596.54%

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST SIX FISCAL YEARS

Measurement date September 30,	Retirement Plan for Police Officers and Firefighters					
	2014	2015	2016	2017	2018	2019
Total pension liability - beginning	\$ 127,462,645	\$ 130,231,957	\$ 136,441,317	\$ 137,871,599	\$ 144,160,147	\$ 155,311,581
Changes for the year:						
Service cost	1,616,907	1,839,411	1,601,153	1,577,364	1,481,104	1,696,546
Interest	9,980,051	10,286,023	10,661,632	10,759,761	11,191,959	11,420,764
Difference between expected and actual experience	-	780,939	(1,344,143)	469,201	1,905,934	1,037,755
Change of assumptions	-	-	-	3,429,737	8,186,842	-
Adjustment for Chapter 175/185 reserves	-	432,298	242,987	150,662	94,373	80,401
Benefit payments	(8,827,646)	(7,129,311)	(9,731,347)	(10,098,177)	(11,708,778)	(9,636,758)
Net change in total pension liability	<u>2,769,312</u>	<u>6,209,360</u>	<u>1,430,282</u>	<u>6,288,548</u>	<u>11,151,434</u>	<u>4,598,708</u>
Total pension liability - ending (a)	<u>\$ 130,231,957</u>	<u>\$ 136,441,317</u>	<u>\$ 137,871,599</u>	<u>\$ 144,160,147</u>	<u>\$ 155,311,581</u>	<u>\$ 159,910,289</u>
Plan fiduciary net position - beginning	\$ 86,242,705	\$ 93,283,466	\$ 91,342,471	\$ 94,164,922	\$ 100,384,375	\$ 102,904,629
Employer contributions	6,357,669	6,498,316	6,254,492	5,589,783	5,550,473	5,843,206
Employee contributions	775,749	669,356	692,487	765,541	792,489	781,702
Other contributions	790,839	690,234	605,857	508,655	490,173	490,173
Net investment income (loss)	8,534,464	(2,917,644)	5,238,367	9,698,773	7,595,714	1,399,995
Benefit payments	(8,827,646)	(7,129,311)	(9,731,347)	(10,098,177)	(11,708,778)	(9,636,758)
Administrative expenses	(179,329)	(227,726)	(237,405)	(257,983)	(226,568)	(204,210)
Other changes	(410,985)	475,780	-	12,861	26,751	-
Net change in plan fiduciary position	<u>7,040,761</u>	<u>(1,940,995)</u>	<u>2,822,451</u>	<u>6,219,453</u>	<u>2,520,254</u>	<u>(1,325,892)</u>
Plan fiduciary net position - ending (b)	<u>\$ 93,283,466</u>	<u>\$ 91,342,471</u>	<u>\$ 94,164,922</u>	<u>\$ 100,384,375</u>	<u>\$ 102,904,629</u>	<u>\$ 101,578,737</u>
Net pension liability (a-b)	<u>\$ 36,948,491</u>	<u>\$ 45,098,846</u>	<u>\$ 43,706,677</u>	<u>\$ 43,775,772</u>	<u>\$ 52,406,952</u>	<u>\$ 58,331,552</u>
Plan fiduciary net position as a percentage of total pension liability	71.63%	66.95%	68.30%	69.63%	66.26%	63.52%
Covered payroll	\$ 5,597,265	\$ 5,127,475	\$ 6,586,705	\$ 6,573,350	\$ 6,128,138	\$ 6,532,396
Net pension liability as a percentage of covered payroll	660.12%	879.55%	663.56%	665.96%	855.19%	892.96%

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST SIX FISCAL YEARS

Measurement date September 30,	Retirement Plan and Trust for General Management Employees					
	2014	2015	2016	2017	2018	2019
Total pension liability - beginning	\$ 19,734,068	\$ 22,100,505	\$ 24,218,726	\$ 22,462,768	\$ 22,211,243	\$ 22,424,045
Changes for the year:						
Service cost	335,056	406,730	435,918	179,639	197,173	185,385
Interest	1,356,133	1,523,007	1,794,281	1,642,670	1,625,817	1,640,739
Difference between expected and actual experience	(182,852)	(10,542)	(1,003,172)	(30,202)	(206,572)	(336,013)
Change of assumptions	2,237,444	1,598,203	(1,244,447)	(627,869)	-	-
Benefit payments	(1,379,344)	(1,399,177)	(1,738,538)	(1,415,763)	(1,403,616)	(1,418,952)
Net change in total pension liability	<u>2,366,437</u>	<u>2,118,221</u>	<u>(1,755,958)</u>	<u>(251,525)</u>	<u>212,802</u>	<u>71,159</u>
Total pension liability - ending (a)	<u>\$ 22,100,505</u>	<u>\$ 24,218,726</u>	<u>\$ 22,462,768</u>	<u>\$ 22,211,243</u>	<u>\$ 22,424,045</u>	<u>\$ 22,495,204</u>
Plan fiduciary net position - beginning	\$ 16,711,216	\$ 16,121,723	\$ 16,894,185	\$ 18,923,591	\$ 20,204,084	\$ 20,391,182
Employer contributions	598,464	668,241	1,077,364	946,609	495,292	364,641
Employee contributions	234,924	255,493	266,060	93,351	85,503	84,858
Net investment income	14,143	1,303,799	2,485,771	1,719,676	1,071,912	1,380,778
Benefit payments	(1,379,344)	(1,399,177)	(1,738,538)	(1,415,763)	(1,403,616)	(1,418,952)
Administrative expenses	(57,680)	(55,894)	(61,251)	(63,380)	(61,993)	(60,633)
Net change in plan fiduciary position	<u>(589,493)</u>	<u>772,462</u>	<u>2,029,406</u>	<u>1,280,493</u>	<u>187,098</u>	<u>350,692</u>
Plan fiduciary net position - ending (b)	<u>\$ 16,121,723</u>	<u>\$ 16,894,185</u>	<u>\$ 18,923,591</u>	<u>\$ 20,204,084</u>	<u>\$ 20,391,182</u>	<u>\$ 20,741,874</u>
Net pension liability (a-b)	<u>\$ 5,978,782</u>	<u>\$ 7,324,541</u>	<u>\$ 3,539,177</u>	<u>\$ 2,007,159</u>	<u>\$ 2,032,863</u>	<u>\$ 1,753,330</u>
Plan fiduciary net position as a percentage of total pension liability	72.95%	69.76%	84.24%	90.96%	90.93%	92.21%
Covered payroll	\$ 2,398,885	\$ 2,027,135	\$ 2,391,509	\$ 2,957,285	\$ 966,946	\$ 1,064,113
Net pension liability as a percentage of covered payroll	249.23%	361.32%	147.99%	67.87%	210.24%	164.77%

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS LAST THREE FISCAL YEARS

Measurement date September 30,	Other Post Employment Benefits		
	2018	2019	2020
Total OPEB liability - beginning	\$ 4,415,393	\$ 5,393,355	\$ 8,898,289
Changes for the year:			
Service cost	119,959	328,548	548,507
Expected interest growth	305,541	276,509	341,008
Demographic experience	(109,329)	924,911	(373,348)
Benefit payments & refunds	(346,834)	(499,106)	(515,128)
Assumption changes	1,008,625	2,474,072	2,154,298
Net change in total OPEB liability	977,962	3,504,934	2,155,337
Total pension liability - ending (a)	\$ 5,393,355	\$ 8,898,289	\$ 11,053,626
Plan fiduciary net position - beginning	\$ 2,804,689	\$ 3,262,860	\$ 3,716,349
Expected interest growth	204,405	236,464	268,135
Unexpected investment income (loss)	19,035	(17,334)	(18,915)
Employer contributions	250,000	250,000	250,000
Administrative expenses	(15,269)	(15,641)	(17,777)
Net change in plan fiduciary position	458,171	453,489	481,443
Plan fiduciary net position - ending (b)	\$ 3,262,860	\$ 3,716,349	\$ 4,197,792
Net OPEB liability (a-b)	\$ 2,130,495	\$ 5,181,940	\$ 6,855,834
Plan fiduciary net position as a percentage of total pension liability	60.50%	41.76%	37.98%
Covered payroll	\$ 16,684,762	\$ 18,905,504	\$ 20,537,603
Net pension liability as a percentage of covered payroll	12.77%	27.41%	33.38%

Note: This schedule is intended to have ten years of data.
Implementation of GASB No. 75 occurred in fiscal year 2018.
Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SEVEN FISCAL YEARS

Fiscal Year Ended	Employer Contributions	Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as percentage of covered payroll	Actuarial Assumptions
Retirement Plan for General Employees						
9/30/2014	\$ 3,545,108	\$ 3,545,108	\$ -	\$ 8,935,213	39.68%	Actuarial cost method
9/30/2015	3,528,201	3,528,201	-	8,438,765	41.81%	Amortization method
9/30/2016	3,285,155	3,285,155	-	7,937,439	41.39%	Remaining amortization period
9/30/2017	3,249,182	3,249,182	-	6,934,420	46.86%	Asset valuation method
9/30/2018	3,453,684	3,453,684	-	5,137,361	67.23%	Investment rate of return
9/30/2019	3,205,197	3,205,197	-	5,695,108	56.28%	Projected salary increases
9/30/2020	3,375,895	3,375,895	-	6,465,047	52.22%	Cost of living adjustments
						Inflation
						RP 2000 Combined Mortality Table for males and females with fully generational projections to each future decrement date using Scale BB
Retirement Plan for Police Officers and Firefighters						
9/30/2014	\$ 6,357,669	\$ 6,357,669	\$ -	\$ 5,597,265	113.59%	Actuarial cost method
9/30/2015	6,498,316	6,337,328	(160,988)	5,127,475	126.74%	Amortization method
9/30/2016	6,254,492	6,254,492	-	6,586,705	94.96%	Remaining amortization period
9/30/2017	5,578,590	5,578,590	-	6,573,350	84.87%	Asset valuation method
9/30/2018	5,560,258	5,560,258	-	6,128,138	90.73%	Investment rate of return
9/30/2019	5,843,206	5,843,206	-	6,532,396	89.45%	Projected salary increases
9/30/2020	6,273,855	6,273,855	-	6,500,834	96.51%	Cost of living adjustments - on or before January 31, 2016
						- after January 31, 2016
						Inflation
						RP 2000 Generational, males-10% White Collar/90% Blue Collar Scale BB
						females-100% White Collar Scale BB
Retirement Plan and Trust for General Management Employees						
9/30/2014	\$ 594,082	\$ 598,464	\$ (4,382)	\$ 2,398,885	24.76%	Actuarial cost method
9/30/2015	598,464	598,464	-	2,027,135	29.52%	Amortization method
9/30/2016	668,241	693,932	(25,691)	2,391,509	27.94%	Remaining amortization period
9/30/2017	1,077,364	1,095,074	(17,710)	2,957,285	36.43%	Asset valuation method
9/30/2018	946,609	946,609	-	966,946	97.90%	Investment rate of return
9/30/2019	520,715	499,428	21,287	1,064,113	48.93%	Projected salary increases
9/30/2020	364,641	364,641	-	812,928	44.86%	Cost of living adjustments
						Inflation
						PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table with full generational improvements using sex-distinct Scale MP-2018
Other Post Employment Benefits						
9/30/2018	250,000	-	250,000	16,684,762	1.50%	Actuarial cost method
9/30/2019	250,000	-	250,000	18,905,504	1.32%	Investment rate of return
9/30/2020	250,000	-	250,000	20,537,603	1.22%	Projected salary increases
						Healthcare cost trend rate
						Inflation
						PUB-2010 with generational improvements using Scale MP-2017

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Implementation of GASB No. 75 occurred in fiscal year 2018. Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SIX FISCAL YEARS

Measurement date June 30,	2015	2016	2017	2018	2019	2020
<u>Florida Retirement System</u>						
City's proportion of the net pension liability	0.000312830%	0.000295834%	0.000268619%	0.000226949%	0.000310992%	0.000289141%
City's proportionate share of the net pension liability	\$ 48,034	\$ 74,698	\$ 79,456	\$ 68,358	\$ 107,102	\$ 125,318
Covered payroll	\$ 21,291	\$ 21,692	\$ 21,769	\$ 19,804	\$ 21,759	\$ 21,765
City's proportionate share of the net pension liability as a percentage of covered payroll	221.51%	349.82%	365.00%	345.17%	492.22%	575.78%
Plan fiduciary net position as a percentage of the total pension liability	90.48%	84.88%	83.89%	84.26%	82.61%	82.61%
<u>Health Insurance Subsidy</u>						
City's proportion of the net pension liability	0.000072633%	0.000069977%	0.000067773%	0.000060319%	0.000065452%	0.000063441%
City's proportionate share of the net pension liability	\$ 7,406	\$ 8,154	\$ 7,247	\$ 6,384	\$ 7,221	\$ 7,746
Covered payroll	\$ 21,685	\$ 21,353	\$ 21,769	\$ 19,804	\$ 21,759	\$ 21,765
City's proportionate share of the net pension liability as a percentage of covered payroll	34.15%	38.19%	33.29%	32.24%	33.19%	35.59%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.16%	2.63%	3.01%

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST SIX FISCAL YEARS

Fiscal year ended September 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Florida Retirement System</u>						
Contractually required contribution	\$ 7,627	\$ 7,214	\$ 6,993	\$ 6,468	\$ 9,643	\$ 9,607
Contributions in relation to the contractually required contribution	<u>7,947</u>	<u>7,745</u>	<u>7,373</u>	<u>7,539</u>	<u>10,408</u>	<u>9,607</u>
Contribution deficiency (excess)	<u>\$ (320)</u>	<u>\$ (531)</u>	<u>\$ (380)</u>	<u>\$ (1,071)</u>	<u>\$ (765)</u>	<u>\$ -</u>
Covered payroll	\$ 21,685	\$ 21,353	\$ 21,769	\$ 19,804	\$ 21,759	\$ 21,765
Contributions as a percentage of covered payroll	36.65%	36.27%	33.87%	38.07%	47.83%	44.14%
<u>Health Insurance Subsidy</u>						
Contractually required contribution	\$ 278	\$ 359	\$ 359	\$ 327	\$ 358	\$ 366
Contributions in relation to the contractually required contribution	<u>278</u>	<u>359</u>	<u>359</u>	<u>327</u>	<u>358</u>	<u>366</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,685	\$ 21,353	\$ 21,769	\$ 19,804	\$ 21,759	\$ 21,765
Contributions as a percentage of covered payroll	1.28%	1.68%	1.65%	1.65%	1.65%	1.68%

Note: This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

CITY OF NORTH MIAMI BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

(in thousands)

SEPTEMBER 30, 2020

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Employer Contribution</u>	<u>Total Contributions</u>	<u>Percentage Contributed</u>
<u>Excess Benefit Plan</u>				
2011	\$ 197	\$ 197	\$ 197	100%
2012	204	204	204	100%
2013	211	211	211	100%
2014	223	223	223	100%
2015	257	257	257	100%
2016	278	278	278	100%
2017	290	290	290	100%
2018	299	299	299	100%
2019	308	308	308	100%
2020	318	318	318	100%

**COMBINING, INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF NORTH MIAMI BEACH, FLORIDA

FUND DESCRIPTIONS – NON-MAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

Special Revenue Funds

Special revenue funds are used to account for specific sources of revenue that are legally restricted to expenditure for particular purposes.

Grants – This fund is used to account for the various federal, state and local grants awarded to the City.

Transit Surtax – This fund is used to account for the City's portion of the Miami-Dade County one-half percent sales surtax approved by voters in November 2002.

Confiscated Property – This fund is used to account for confiscated and forfeited property received from federal and state government. The uses of the property are governed by State of Florida Statutes, Chapter 932; the United States Department of Justice publication, *A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies*; and the United States Treasury Department publication, *Guide to Equitable Sharing for Foreign Countries and Federal, State and Local Law Enforcement Agencies*.

Eastern Shores Security Special Taxing District – This fund is used to account for the activities related to the guard house located at the 35th Avenue entrance to the Eastern Shores subdivision. The Special Taxing District was created on November 21, 1995 for the purpose of providing security for the area. Administration of the district was transferred from Miami-Dade County to the City of North Miami Beach on February 2, 2018.

Eastern Shores First Addition Security Guard Special Taxing District – This fund is used to account for the activities related to the guard house located at the 164th Street entrance to the Eastern Shores subdivision. The Special Taxing District was created on April 7, 1994 for the purpose of providing security for the area. Administration of the district was transferred from Miami-Dade County to the City of North Miami Beach on February 2, 2018.

Debt Service Funds

Debt service funds are used to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Series 2011 – This fund is used to account for the principal and interest payments relating to the \$14,835,000 promissory note issued to defease the Series 2000B bonds originally issued to fund improvements related to the Proud Neighborhood plan.

Series 2012 – This fund is used to account for the debt service of the \$8,190,000 promissory note issued to defease the Series 2002A Series Capital Appreciation and Term Bonds. The 2002A bond proceeds were used to defease the Series 1994 bonds originally issued to fund the expansion of the police station and various neighborhood improvements.

CITY OF NORTH MIAMI BEACH, FLORIDA

FUND DESCRIPTIONS – NON-MAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

Series 2013 – This fund is used to account for the principal and interest payments relating to the \$3,635,000 Revenue Bonds, Series 2013. The proceeds were used to refund Florida Municipal Loan Council Revenue Bonds, Series 2003B. The original issue was used to fund various transit/transportation related projects.

Series 2015 – This fund is used to account for the principal and interest payments relating to the City's portion of the Series 2015 Revenue Refunding bonds issued to refund the Florida Municipal Loan Council Revenue Bonds, Series 2005C. The bond proceeds were used to defease the Series 2000A bonds originally issued to fund the bike path and street improvements, including lighting and traffic calming devices.

Capital Projects Fund

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Alley Restoration Program – This fund accounts for improvements to the City's alley infrastructure in order to facilitate traffic flow of solid waste equipment, stormwater run-off and trash collection.

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

Special Revenue Funds

	<u>Grants Funds</u>	<u>Transit Surtax</u>	<u>Confiscated Property</u>	<u>Eastern Shores Security Special Taxing District</u>	<u>Eastern Shores First Addition Security Guard Special Taxing District</u>	<u>Total Special Revenue</u>
<u>ASSETS</u>						
Pooled cash and investments	\$ 121,972	\$ -	\$ 3,955,389	\$ 235,544	\$ 112,934	\$ 4,425,839
Accounts receivable:						
Intergovernmental	-	396,045	-	5,133	3,343	404,521
Grants	399,258	-	-	-	-	399,258
Prepays	-	-	14,334	-	-	14,334
Total assets	<u>\$ 521,230</u>	<u>\$ 396,045</u>	<u>\$ 3,969,723</u>	<u>\$ 240,677</u>	<u>\$ 116,277</u>	<u>\$ 5,243,952</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 48,046	\$ 172,249	\$ 116,216	\$ 3,115	\$ 8,978	\$ 348,604
Due to other funds	331,866	133,957	-	-	-	465,823
Total liabilities	<u>379,912</u>	<u>306,206</u>	<u>116,216</u>	<u>3,115</u>	<u>8,978</u>	<u>814,427</u>
Fund balances:						
Nonspendable:						
Prepays	-	-	14,334	-	-	14,334
Restricted:						
Interlocal agreements	141,318	89,839	-	-	-	231,157
Special Taxing Districts	-	-	-	237,562	107,299	344,861
Public Safety	-	-	3,839,173	-	-	3,839,173
Total fund balances	<u>141,318</u>	<u>89,839</u>	<u>3,853,507</u>	<u>237,562</u>	<u>107,299</u>	<u>4,429,525</u>
Total liabilities and fund balances	<u>\$ 521,230</u>	<u>\$ 396,045</u>	<u>\$ 3,969,723</u>	<u>\$ 240,677</u>	<u>\$ 116,277</u>	<u>\$ 5,243,952</u>

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2020

	Debt Service Funds				
	Series 2011	Series 2012	Series 2013	Series 2015	Total Debt Service
<u>ASSETS</u>					
Pooled cash and investments	\$ -	\$ 6,692	\$ 85,390	\$ 651	\$ 92,733
Total assets	\$ -	\$ 6,692	\$ 85,390	\$ 651	\$ 92,733
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Due to other funds	\$ 16,360	\$ -	\$ -	\$ -	\$ 16,360
Fund balances:					
Restricted:					
Debt service	-	6,692	85,390	651	92,733
Unassigned:	(16,360)	-	-	-	(16,360)
Total fund balances	(16,360)	6,692	85,390	651	76,373
Total liabilities and fund balances	\$ -	\$ 6,692	\$ 85,390	\$ 651	\$ 92,733

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS (Continued)

SEPTEMBER 30, 2020

	Capital Projects Fund Alley Restoration Program	Total Capital Projects	Total Non-major Governmental Funds
<u>ASSETS</u>			
Pooled cash and investments	\$ 293,383	\$ 293,383	\$ 4,811,955
Accounts receivable:			
Intergovernmental	-	-	404,521
Grants	-	-	399,258
Prepaid costs	-	-	14,334
Total assets	\$ 293,383	\$ 293,383	\$ 5,630,068
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 348,604
Due to other funds	-	-	482,183
Total liabilities	-	-	830,787
Fund balances:			
Nonspendable:			
Prepaid costs	-	-	14,334
Restricted:			
Interlocal agreements	-	-	231,157
Special Taxing Districts	-	-	344,861
Debt service	-	-	92,733
Public Safety	-	-	3,839,173
Committed:			
Alley restoration	293,383	293,383	293,383
Unassigned:			
Debt service	-	-	(16,360)
Total fund balances	293,383	293,383	4,799,281
Total fund balances and liabilities	\$ 293,383	\$ 293,383	\$ 5,630,068

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds					
	Grants Funds	Transit Surtax	Confiscated Property	Eastern Shores Security Special Taxing District	Eastern Shores First Addition Security Guard Special Taxing District	Total Special Revenue
Revenues:						
Intergovernmental	\$ -	\$ 1,705,603	\$ -	\$ -	\$ -	\$ 1,705,603
Grants	654,234	-	-	-	-	654,234
Non-Ad valorem assessments	-	-	-	450,902	206,161	657,063
Fines and forfeitures	-	-	526,074	-	-	526,074
Miscellaneous	-	500	750	8,216	3,520	12,986
Total revenues	654,234	1,706,103	526,824	459,118	209,681	3,555,960
Expenditures:						
Operating expenditures:						
Public safety	71,415	-	1,482,535	407,788	158,035	2,119,773
Library	73,964	-	-	-	-	73,964
Parks & Recreation	77,526	-	-	-	-	77,526
Public works	229,825	882,357	-	-	-	1,112,182
Capital outlay	178,407	1,039,641	301,561	-	-	1,519,609
Total expenditures	631,137	1,921,998	1,784,096	407,788	158,035	4,903,054
Excess (deficiency) of revenues over expenditures	23,097	(215,895)	(1,257,272)	51,330	51,646	(1,347,094)
Other financing uses:						
Transfers out	(32,663)	(800,202)	-	-	-	(832,865)
Total other financing uses	(32,663)	(800,202)	-	-	-	(832,865)
Net change in fund balances	(9,566)	(1,016,097)	(1,257,272)	51,330	51,646	(2,179,959)
Fund balances, beginning	150,884	1,105,936	5,110,779	186,232	55,653	6,609,484
Fund balances, ending	\$ 141,318	\$ 89,839	\$ 3,853,507	\$ 237,562	\$ 107,299	\$ 4,429,525

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Funds				Total Debt Service
	Series 2011	Series 2012	Series 2013	Series 2015	
Revenues:					
Property taxes	\$ 1,204,705	\$ 797,525	\$ -	\$ -	\$ 2,002,230
Expenditures:					
Debt service:					
Principal	680,000	705,000	620,000	25,116	2,030,116
Interest and other fiscal charges	<u>524,703</u>	<u>92,525</u>	<u>5,301</u>	<u>372</u>	<u>622,901</u>
Total expenditures	<u>1,204,703</u>	<u>797,525</u>	<u>625,301</u>	<u>25,488</u>	<u>2,653,017</u>
Excess (deficiency) of revenues over expenditures	2	-	(625,301)	(25,488)	(650,787)
Other financing sources:					
Transfers in	<u>-</u>	<u>-</u>	<u>625,301</u>	<u>25,488</u>	<u>650,789</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>625,301</u>	<u>25,488</u>	<u>650,789</u>
Net change in fund balances	2	-	-	-	2
Fund balances, beginning	<u>(16,362)</u>	<u>6,692</u>	<u>85,390</u>	<u>651</u>	<u>76,371</u>
Fund balances, ending	<u>\$ (16,360)</u>	<u>\$ 6,692</u>	<u>\$ 85,390</u>	<u>\$ 651</u>	<u>\$ 76,373</u>

(Continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects Fund Alley Restoration Program	Total Capital Projects	Total Non-major Governmental Funds
Revenues:			
Property taxes	\$ -	\$ -	\$ 2,002,230
Intergovernmental	-	-	1,705,603
Non-Ad valorem assessments	-	-	657,063
Grants	-	-	654,234
Fines and forfeitures	-	-	526,074
Other income	-	-	12,986
Total revenues	-	-	5,558,190
Expenditures:			
Operating expenditures:			
Public safety	-	-	2,119,773
Library	-	-	73,964
Parks & Recreation	-	-	77,526
Public works	-	-	1,112,182
Capital outlay	-	-	1,519,609
Debt service:			
Principal	-	-	2,030,116
Interest and other fiscal charges	-	-	622,901
Total expenditures	-	-	7,556,071
Excess (deficiency) of revenues over expenditures	-	-	(1,997,881)
Other financing sources (uses):			
Transfers in	-	-	650,789
Transfers out	-	-	(832,865)
Total other financing uses	-	-	(182,076)
Net change in fund balances	-	-	(2,179,957)
Fund balances, beginning	293,383	293,383	6,979,238
Fund balances, ending	\$ 293,383	\$ 293,383	\$ 4,799,281

CITY OF NORTH MIAMI BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

TRANSIT SURTAX FUND				
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,883,283	\$ 1,883,283	\$ 1,705,603	\$ (177,680)
Expenditures:				
Operating expenditures:				
Public works	1,387,293	1,387,293	882,357	504,936
Capital outlay	1,306,000	1,819,267	1,039,641	779,626
Total expenditures	2,693,293	3,206,560	1,921,998	1,284,562
Deficiency of revenues over expenditures	(810,010)	(1,323,277)	(215,895)	1,107,382
Other financing sources (uses):				
Transfers out	(801,349)	(801,349)	(800,202)	1,147
Appropriations of prior year fund balance	1,611,359	2,124,626	-	(2,124,626)
Total other financing sources (uses)	810,010	1,323,277	(800,202)	(2,123,479)
Net changes in fund balance	\$ -	\$ -	(1,016,097)	\$ (1,016,097)
Fund balance, beginning			1,105,936	
Fund balance, ending			\$ 89,839	

CITY OF NORTH MIAMI BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Eastern Shores Security Special Taxing District				Eastern Shores First Addition Security Guard Special Taxing District			
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final			Original	Final		
Revenues:								
Non-Ad valorem Assessments	\$ 445,348	\$ 445,348	\$ 450,902	\$ 5,554	\$ 203,395	\$ 203,395	\$ 206,161	\$ 2,766
Other revenue	-	-	8,216	8,216	-	-	3,520	3,520
Total revenues	445,348	445,348	459,118	13,770	203,395	203,395	209,681	6,286
Expenditures:								
Operating expenditures:								
Public Safety	445,348	444,005	407,788	36,217	185,525	185,525	158,035	27,490
Capital outlay	-	1,343	-	1,343	-	-	-	-
Total expenditures	445,348	445,348	407,788	37,560	185,525	185,525	158,035	27,490
Excess of revenues over expenditures	-	-	51,330	51,330	17,870	17,870	51,646	33,776
Net changes in fund balance	\$ -	\$ -	\$ 51,330	\$ 51,330	\$ 17,870	\$ 17,870	\$ 51,646	\$ 33,776
Fund balance, beginning			186,232				55,653	
Fund balance, ending			\$ 237,562				\$ 107,299	(continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	SERIES 2011				SERIES 2012			
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final			Original	Final		
Revenues:								
Property taxes	\$1,204,705	\$1,204,705	\$1,204,705	\$ -	\$ 797,525	\$ 797,525	\$ 797,525	\$ -
Total revenues	1,204,705	1,204,705	1,204,705	-	797,525	797,525	797,525	-
Expenditures:								
Debt service:								
Principal	680,000	680,000	680,000	-	705,000	705,000	705,000	-
Interest and other fiscal charges	524,705	524,705	524,703	2	92,525	92,525	92,525	-
Total expenditures	1,204,705	1,204,705	1,204,703	2	797,525	797,525	797,525	-
Net changes in fund balance	\$ -	\$ -	2	\$ 2	\$ -	\$ -	-	\$ -
Fund balance, beginning			(16,362)				6,692	
Fund balance, ending			\$ (16,360)				\$ 6,692	(continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL DEBT SERVICE FUNDS (continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	SERIES 2013				SERIES 2015			
	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance from Final Budget - Favorable (Unfavorable)
	Original	Final			Original	Final		
Expenditures:								
Debt service:								
Principal	\$620,000	\$620,000	\$620,000	\$ -	\$ 25,116	\$ 25,116	\$25,116	\$ -
Interest and other fiscal charges	<u>6,448</u>	<u>6,448</u>	<u>5,301</u>	<u>1,147</u>	<u>372</u>	<u>372</u>	<u>372</u>	<u>-</u>
Total expenditures	626,448	626,448	625,301	1,147	25,488	25,488	25,488	-
Other financing sources:								
Transfers in	<u>626,448</u>	<u>626,448</u>	<u>625,301</u>	<u>(1,147)</u>	<u>25,488</u>	<u>25,488</u>	<u>25,488</u>	<u>-</u>
Total other financing sources	<u>626,448</u>	<u>626,448</u>	<u>625,301</u>	<u>(1,147)</u>	<u>25,488</u>	<u>25,488</u>	<u>25,488</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			<u>85,390</u>				<u>651</u>	
Fund balance, ending			<u>\$ 85,390</u>				<u>\$ 651</u>	(continued)

CITY OF NORTH MIAMI BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2020

ALLEY RESTORATION PROGRAM

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance from Final Budget - Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ 293,382	\$ 293,382	\$ -	\$ 293,382
Total expenditures	293,382	293,382	-	293,382
Other financing sources:				
Prior year appropriations	<u>293,382</u>	<u>293,382</u>	<u>-</u>	<u>(293,382)</u>
Total other financing sources	<u>293,382</u>	<u>293,382</u>	<u>-</u>	<u>(293,382)</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>293,383</u>	
Fund balance, ending			<u>\$ 293,383</u>	



NON-MAJOR ENTERPRISE FUNDS

CITY OF NORTH MIAMI BEACH, FLORIDA

FUND DESCRIPTIONS – NON-MAJOR ENTERPRISE FUNDS SEPTEMBER 30, 2020

Non-major Enterprise Funds

Stormwater Fund – accounts for providing stormwater services within City limits.

Building Permit Fund - accounts for activities as they relate to the issuance of building permits to residences and businesses within the City.

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF NET POSITION NON-MAJOR PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	<u>Stormwater Utility</u>	<u>Building Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Pooled cash and investments	\$ 1,169,616	\$ 9,936,410	\$ 11,106,026
Accounts receivable, net	148,719	213	148,932
Prepaid expenses	-	3,652	3,652
Total current assets	<u>1,318,335</u>	<u>9,940,275</u>	<u>11,258,610</u>
Non-current assets			
Capital assets, non-depreciable	994,424	39,621	1,034,045
Capital assets - net of accumulated depreciation	<u>3,053,247</u>	<u>88,330</u>	<u>3,141,577</u>
Total assets	<u>\$ 5,366,006</u>	<u>\$ 10,068,226</u>	<u>\$ 15,434,232</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	\$ 138,549	\$ 553,582	\$ 692,131
Other post employment benefits	<u>20,406</u>	<u>102,623</u>	<u>123,029</u>
Total deferred outflows of resources	<u>\$ 158,955</u>	<u>\$ 656,205</u>	<u>\$ 815,160</u>
TOTAL ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES	<u>\$ 5,524,961</u>		
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 109,281	\$ 300,183	\$ 409,464
Current portions of:			
Notes payable	194,358	-	194,358
Compensated absences	<u>18,427</u>	<u>52,349</u>	<u>70,776</u>
Total current liabilities	322,066	352,532	674,598
Non-current liabilities:			
Net pension liability	477,358	926,698	1,404,056
Compensated absences	8,262	108,646	116,908
Other post-employment benefits	<u>43,751</u>	<u>189,449</u>	<u>233,200</u>
Total non-current liabilities	<u>529,371</u>	<u>1,224,793</u>	<u>1,754,164</u>
Total liabilities	<u>\$ 851,437</u>	<u>\$ 1,577,325</u>	<u>\$ 2,428,762</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 3,853,313	\$ 127,951	\$ 3,981,264
Unrestricted	<u>820,211</u>	<u>9,019,155</u>	<u>9,839,366</u>
Total net position	<u>\$ 4,673,524</u>	<u>\$ 9,147,106</u>	<u>\$ 13,820,630</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NON-MAJOR PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Stormwater Utility</u>	<u>Building Fund</u>	<u>Total</u>
Operating revenues:			
Service revenues	\$ 1,499,966	\$ 1,888,366	\$ 3,388,332
Total operating revenues	<u>1,499,966</u>	<u>1,888,366</u>	<u>3,388,332</u>
Operating expenses:			
Personnel services	560,588	1,874,373	2,434,961
Other operating costs	524,345	325,986	850,331
Depreciation	<u>286,652</u>	<u>18,939</u>	<u>305,591</u>
Total operating expenses	<u>1,371,585</u>	<u>2,219,298</u>	<u>3,590,883</u>
Operating income (loss)	128,381	(330,932)	(202,551)
Non-operating revenue (expense):			
Investment income	23,156	214,936	238,092
Miscellaneous income	-	225,765	225,765
Interest and other fiscal charges	<u>(8,384)</u>	<u>-</u>	<u>(8,384)</u>
Total non-operating revenue	<u>14,772</u>	<u>440,701</u>	<u>455,473</u>
Income before transfers	143,153	109,769	252,922
Transfers out	<u>(158,530)</u>	<u>(284,035)</u>	<u>(442,565)</u>
Change in net position	(15,377)	(174,266)	(189,643)
Net position - beginning	<u>4,688,901</u>	<u>9,321,372</u>	<u>14,010,273</u>
Net position, ending	<u>\$ 4,673,524</u>	<u>\$ 9,147,106</u>	<u>\$ 13,820,630</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS NON-MAJOR PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Stormwater <u>Utility</u>	Building <u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,733,756	\$ 2,113,918	\$ 3,847,674
Cash payments to internal service funds	(23,620)	(188,964)	(212,584)
Cash payments to suppliers	(438,955)	(183,896)	(622,851)
Cash payments to and on behalf of employees	(486,343)	(1,563,695)	(2,050,038)
Cash payments to other funds	<u>-</u>	<u>1,107,117</u>	<u>1,107,117</u>
Net cash provided by operating activities	784,838	1,284,480	2,069,318
Cash flows from noncapital financing activities:			
Transfers to other funds	(158,530)	(284,035)	(442,565)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	603,628	-	603,628
Disposal of capital assets	(773,393)	(25,187)	(798,580)
Principal paid on long-term debt	(190,211)	-	(190,211)
Interest paid on long-term debt	<u>(8,384)</u>	<u>-</u>	<u>(8,384)</u>
Net cash used in capital and related financing activities	(368,360)	(25,187)	(393,547)
Cash flows from investing activities:			
Investment purchases	(1,009,909)	(9,299,579)	(10,309,488)
Investment calls and maturities	1,012,195	9,320,627	10,332,822
Investment income	<u>20,870</u>	<u>193,888</u>	<u>214,758</u>
Net cash provided by investing activities	23,156	214,936	238,092
Net increase in pooled cash and investments:			
Pooled cash and investments, beginning	888,512	8,746,216	9,634,728
Pooled cash and investments, ending	<u>\$ 1,169,616</u>	<u>\$ 9,936,410</u>	<u>\$ 11,106,026</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 128,381	\$ (330,932)	\$ (202,551)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	286,652	18,939	305,591
Other income	-	225,765	225,765
Changes in operating assets and liabilities:			
(Increase) decrease :			
Accounts receivable	233,790	(213)	233,577
Due from other funds	-	1,107,117	1,107,117
Prepaid	-	35,061	35,061
Deferred outflows of pension resources	(4,316)	(14,617)	(18,933)
Deferred outflows of OPEB resources	(58,493)	(64,815)	(123,308)
Increase (decrease) in:			
Vouchers payable and accrued liabilities	62,978	8,192	71,170
Pension and OPEB liabilities	<u>135,846</u>	<u>299,983</u>	<u>435,829</u>
Total adjustments	<u>656,457</u>	<u>1,615,412</u>	<u>2,271,869</u>
Net cash provided by operating activities	<u>\$ 784,838</u>	<u>\$ 1,284,480</u>	<u>\$ 2,069,318</u>
Non-cash investing, capital and financing activities:			
Decrease in fair value of investments	<u>\$ (1,277)</u>	<u>\$ (10,846)</u>	<u>\$ (12,123)</u>



FIDUCIARY FUNDS

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

SEPTEMBER 30, 2020

Pension Trust Funds

	<u>General Employees</u>	<u>Police Officers and Firefighters</u>	<u>General Management Employees</u>	<u>OPEB Trust</u>	<u>Total</u>
<u>ASSETS</u>					
Cash	\$ 3,708	\$ 209	\$ -	\$ -	\$ 3,917
Investments:					
Equity securities	51,542,097	59,450,475	-	-	110,992,572
Money market funds	2,289,809	3,240,240	20,740,269	4,197,792	30,468,110
Government securities	9,162,555	15,405,130	-	-	24,567,685
Corporate bonds	8,719,507	14,765,288	-	-	23,484,795
Real estate	8,086,044	7,388,901	-	-	15,474,945
Mutual funds	2,054,229	2,615,879	-	-	4,670,108
Hedge funds	184,772	296,173	-	-	480,945
Total investments	<u>82,039,013</u>	<u>103,162,086</u>	<u>20,740,269</u>	<u>4,197,792</u>	<u>210,139,160</u>
Accrued interest receivable	89,666	148,794	-	-	238,460
Other receivables	<u>300,039</u>	<u>559,231</u>	<u>-</u>	<u>-</u>	<u>859,270</u>
Total assets	<u>\$ 82,432,426</u>	<u>\$ 103,870,320</u>	<u>\$ 20,740,269</u>	<u>\$ 4,197,792</u>	<u>\$ 211,240,807</u>
<u>LIABILITIES</u>					
Accounts payable	<u>\$ 328,440</u>	<u>\$ 657,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,499</u>
<u>NET POSITION</u>					
Net position restricted for pensions	<u>\$ 82,103,986</u>	<u>\$ 103,213,261</u>	<u>\$ 20,740,269</u>	<u>\$ 4,197,792</u>	<u>\$ 210,255,308</u>

CITY OF NORTH MIAMI BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust Funds				
	<u>General Employees</u>	<u>Police Officers and Firefighters</u>	<u>General Management Employees</u>	<u>OPEB Trust</u>	<u>Total</u>
	<u>ADDITIONS</u>				
Contributions:					
Employer	\$ 3,375,895	\$ 6,273,855	\$ 364,641	\$ 589,267	\$ 10,603,658
Employee	456,079	874,725	84,785	-	1,415,589
State of Florida	-	509,062	-	-	509,062
Total contributions	3,831,974	7,657,642	449,426	589,267	12,528,309
Investment income (expense):					
Net appreciation in fair value of investments	2,948,200	3,946,107	1,380,778	249,221	8,524,306
Interest and dividends	1,726,209	2,190,183	-	-	3,916,392
Investment expenses	(461,066)	(507,545)	(12,550)	-	(981,161)
Net investment gain	4,213,343	5,628,745	1,368,228	249,221	11,459,537
Other income	16,241	16,714	-	-	32,955
Total additions	8,061,558	13,303,101	1,817,654	838,488	24,020,801
	<u>DEDUCTIONS</u>				
Pension benefit payments	7,245,758	11,451,292	1,418,952	339,268	20,455,270
Administrative expenses	185,526	217,285	48,083	17,777	468,671
Total deductions	7,431,284	11,668,577	1,467,035	357,045	20,923,941
Change in net position	630,274	1,634,524	350,619	481,443	3,096,860
Net position restricted for pensions, beginning	81,473,712	101,578,737	20,389,650	3,716,349	207,158,448
Net position restricted for pensions, ending	\$ 82,103,986	\$ 103,213,261	\$ 20,740,269	\$ 4,197,792	\$ 210,255,308

CITY OF NORTH MIAMI BEACH, FLORIDA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2020

		Police Holding Account			
		<u>Beginning Balance</u>	<u>Seizures</u>	<u>Distributions</u>	<u>Ending Balance</u>
	<u>ASSETS</u>				
Cash		\$ <u>731,415</u>	\$ <u>238,323</u>	\$ <u>(318,326)</u>	\$ <u>651,412</u>
	<u>LIABILITIES</u>				
Deposits awaiting adjudication		\$ <u>731,415</u>	\$ <u>238,323</u>	\$ <u>(318,326)</u>	\$ <u>651,412</u>



IV. STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of North Miami Beach's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	132-135
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	136-142
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	143-146
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	147-149
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	150-151

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF NORTH MIAMI BEACH, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 36,278	\$ 35,202	\$ 36,494	\$ 41,846	\$ 41,751	\$ 45,614	\$ 47,555	\$ 50,498	\$ 51,941	\$ 57,562
Restricted	14,422	16,699	15,054	12,186	11,326	10,202	10,412	10,826	10,941	9,836
Unrestricted	<u>9,913</u>	<u>15,121</u>	<u>20,026</u>	<u>22,992</u>	<u>(34,160)</u>	<u>(29,701)</u>	<u>(21,503)</u>	<u>(25,448)</u>	<u>(22,745)</u>	<u>(34,433)</u>
Total governmental activities net position	<u>\$ 60,613</u>	<u>\$ 67,022</u>	<u>\$ 71,574</u>	<u>\$ 77,024</u>	<u>\$ 18,917</u>	<u>\$ 26,115</u>	<u>\$ 36,464</u>	<u>\$ 35,876</u>	<u>\$ 40,137</u>	<u>\$ 32,965</u>
Business-type activities:										
Net investment in capital assets	\$ 82,977	\$ 81,013	\$ 87,063	\$ 86,582	\$ 92,456	\$ 89,253	\$ 89,394	\$ 97,350	\$ 104,546	\$ 80,272
Restricted	907	1,545	3,380	7,691	10,256	14,524	15,990	5,651	8,880	26,519
Unrestricted (deficit)	<u>10,200</u>	<u>21,600</u>	<u>19,780</u>	<u>25,188</u>	<u>33,337</u>	<u>38,801</u>	<u>44,731</u>	<u>34,893</u>	<u>25,448</u>	<u>25,717</u>
Total business-type activities net position	<u>\$ 94,084</u>	<u>\$ 104,158</u>	<u>\$ 110,223</u>	<u>\$ 119,461</u>	<u>\$ 136,049</u>	<u>\$ 142,578</u>	<u>\$ 150,115</u>	<u>\$ 137,894</u>	<u>\$ 138,874</u>	<u>\$ 132,508</u>
Total government:										
Net investment in capital assets	\$ 119,255	\$ 116,215	\$ 123,557	\$ 128,428	\$ 134,207	\$ 134,867	\$ 136,949	\$ 147,848	\$ 156,487	\$ 137,834
Restricted	15,329	18,244	18,434	19,877	21,582	24,726	26,402	16,477	19,821	36,355
Unrestricted	<u>20,113</u>	<u>36,721</u>	<u>39,806</u>	<u>48,180</u>	<u>(823)</u>	<u>9,100</u>	<u>23,228</u>	<u>9,445</u>	<u>2,703</u>	<u>(8,716)</u>
Total City net position	<u>\$ 154,697</u>	<u>\$ 171,180</u>	<u>\$ 181,797</u>	<u>\$ 196,485</u>	<u>\$ 154,966</u>	<u>\$ 168,693</u>	<u>\$ 186,579</u>	<u>\$ 173,770</u>	<u>\$ 179,011</u>	<u>\$ 165,473</u>

Source: City of North Miami Beach

CITY OF NORTH MIAMI BEACH, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 15,279	\$ 12,016	\$ 11,018	\$ 10,493	\$ 13,752	\$ 15,009	\$ 12,378	\$ 24,627	\$ 16,665	\$ 26,284
Public safety	25,069	22,452	22,793	22,206	21,824	21,918	25,422	22,918	30,444	31,622
Parks and Recreation	4,950	4,561	4,555	4,771	4,617	5,166	5,432	5,669	5,792	5,376
Public works	10,631	5,213	4,087	4,147	4,386	3,988	4,304	4,811	5,794	5,898
Interest on long-term debt	1,735	1,580	1,153	1,214	813	736	643	1,485	703	633
Total governmental activities	<u>57,664</u>	<u>45,822</u>	<u>43,606</u>	<u>42,831</u>	<u>45,392</u>	<u>46,817</u>	<u>48,179</u>	<u>59,510</u>	<u>59,398</u>	<u>69,813</u>
Business-type activities:										
Water	23,367	22,579	23,424	21,082	16,329	26,092	27,015	34,394	35,912	39,073
Wastewater	4,487	3,952	4,156	3,929	4,033	5,306	6,057	11,993	9,451	11,867
Solid waste	-	6,574	6,749	7,186	6,551	8,813	8,276	10,355	8,259	11,023
Stormwater	864	886	633	645	592	1,002	998	1,022	1,203	1,381
Building permits	1,437	1,293	1,257	1,289	1,355	2,077	1,567	1,768	1,891	2,219
Total business-type activities	<u>30,155</u>	<u>35,284</u>	<u>36,219</u>	<u>34,131</u>	<u>28,860</u>	<u>43,290</u>	<u>43,913</u>	<u>59,532</u>	<u>56,716</u>	<u>65,563</u>
Total government expenses	<u>\$ 87,819</u>	<u>\$ 81,106</u>	<u>\$ 79,825</u>	<u>\$ 76,962</u>	<u>\$ 74,252</u>	<u>\$ 90,107</u>	<u>\$ 92,092</u>	<u>\$ 119,042</u>	<u>\$ 116,114</u>	<u>\$ 135,376</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 3,097	\$ 1,676	\$ 1,913	\$ 1,629	\$ 1,732	\$ 1,583	\$ 2,120	\$ 2,612	\$ 1,916	\$ 1,604
Public safety	5,095	6,801	2,857	1,512	177	194	1,634	1,850	2,073	1,628
Parks and R.E.C.	821	838	956	823	841	856	783	933	817	274
Public works	8,956	(979)	-	-	-	-	-	-	-	-
Operating grants and contributions	1,028	945	169	78	2,209	2,439	1,438	573	2,082	1,145
Capital grants and contributions	2,013	1,069	1,129	706	543	1,614	440	938	383	178
Total governmental activities program revenues	<u>21,010</u>	<u>10,350</u>	<u>7,024</u>	<u>4,748</u>	<u>5,502</u>	<u>6,686</u>	<u>6,415</u>	<u>6,906</u>	<u>7,271</u>	<u>4,829</u>
Business-type activities:										
Charges for services:										
Water	33,790	27,990	27,795	27,547	32,915	30,546	32,232	31,656	34,804	35,979
Sewer	7,701	7,490	7,487	7,532	7,036	6,956	7,451	7,029	9,878	10,040
Solid waste	-	9,992	8,832	8,860	8,939	9,343	10,181	9,666	8,812	9,003
Stormwater	1,268	1,279	1,266	1,273	1,269	1,235	1,313	1,221	1,468	1,500
Building permits	1,204	1,514	1,307	2,073	3,800	3,311	4,726	2,565	2,576	1,888
Operating grants and contributions	2,334	-	-	-	-	-	-	-	-	-
Capital grants and contributions	482	2,163	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>46,779</u>	<u>50,428</u>	<u>46,687</u>	<u>47,285</u>	<u>53,959</u>	<u>51,391</u>	<u>55,903</u>	<u>52,137</u>	<u>57,538</u>	<u>58,410</u>
Total program revenues	<u>\$ 67,789</u>	<u>\$ 60,778</u>	<u>\$ 53,711</u>	<u>\$ 52,033</u>	<u>\$ 59,461</u>	<u>\$ 58,077</u>	<u>\$ 62,318</u>	<u>\$ 59,043</u>	<u>\$ 64,809</u>	<u>\$ 63,239</u>
Net (expense) revenue:										
Governmental activities	\$ (36,654)	\$ (35,472)	\$ (36,582)	\$ (38,083)	\$ (39,890)	\$ (40,131)	\$ (41,764)	\$ (52,604)	\$ (52,127)	\$ (64,984)
Business-type activities	16,624	15,144	10,468	13,154	25,099	8,101	11,990	(7,395)	822	(7,153)
Total net expense	<u>\$ (20,030)</u>	<u>\$ (20,328)</u>	<u>\$ (26,114)</u>	<u>\$ (24,929)</u>	<u>\$ (14,791)</u>	<u>\$ (32,030)</u>	<u>\$ (29,774)</u>	<u>\$ (59,999)</u>	<u>\$ (51,305)</u>	<u>\$ (72,137)</u>
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 12,552	\$ 13,300	\$ 12,364	\$ 12,869	\$ 13,752	\$ 14,067	\$ 16,470	\$ 17,346	\$ 19,671	\$ 21,680
Sales and other taxes	9,559	9,601	10,021	10,081	11,124	11,399	11,464	11,776	12,919	12,293
State and local shared revenue	5,671	5,325	5,311	5,187	4,319	4,841	5,334	5,465	6,064	6,534
Unrestricted investment earnings (losses)	131	223	(389)	700	382	146	173	295	1,112	857
User surcharges	-	-	-	-	-	7,163	8,571	7,164	9,330	9,649
Miscellaneous	284	675	441	7,149	7,999	962	890	595	894	363
Transfers	13,769	12,757	13,386	7,546	7,946	8,750	9,210	10,605	6,398	6,436
Total governmental activities	<u>41,966</u>	<u>41,881</u>	<u>41,134</u>	<u>43,532</u>	<u>45,522</u>	<u>47,328</u>	<u>52,112</u>	<u>53,246</u>	<u>56,388</u>	<u>57,812</u>
Business-type activities:										
Unrestricted investment earnings (losses)	46	94	(324)	956	1,202	845	726	859	1,700	1,471
User surcharges	-	-	-	-	-	3,466	2,842	1,582	1,482	1,350
Miscellaneous	6,261	7,593	9,307	2,673	5,035	2,867	1,190	3,415	3,374	4,403
Transfers	(13,769)	(12,757)	(13,386)	(7,546)	(7,946)	(8,750)	(9,210)	(10,605)	(6,398)	(6,436)
Total business-type activities	<u>(7,462)</u>	<u>(5,070)</u>	<u>(4,403)</u>	<u>(3,917)</u>	<u>(1,709)</u>	<u>(1,572)</u>	<u>(4,452)</u>	<u>(4,749)</u>	<u>158</u>	<u>788</u>
Total general revenues	<u>\$ 34,504</u>	<u>\$ 36,811</u>	<u>\$ 36,731</u>	<u>\$ 39,615</u>	<u>\$ 43,813</u>	<u>\$ 45,756</u>	<u>\$ 47,660</u>	<u>\$ 48,497</u>	<u>\$ 56,546</u>	<u>\$ 58,600</u>
Change in net position:										
Governmental activities	\$ 5,312	\$ 6,409	\$ 4,552	\$ 5,449	\$ 5,632	\$ 7,197	\$ 10,348	\$ 642	\$ 4,261	\$ (7,172)
Business-type activities	9,162	10,074	6,065	9,237	23,390	6,529	7,538	(12,144)	980	(6,365)
Total change in net position	<u>\$ 14,474</u>	<u>\$ 16,483</u>	<u>\$ 10,617</u>	<u>\$ 14,686</u>	<u>\$ 29,022</u>	<u>\$ 13,726</u>	<u>\$ 17,886</u>	<u>\$ (11,502)</u>	<u>\$ 5,241</u>	<u>\$ (13,537)</u>

Source: City of North Miami Beach

CITY OF NORTH MIAMI BEACH, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable:										
Inventories	\$ 226,484	\$ 226,484	\$ 200,022	\$ 185,230	\$ 203,438	\$ 154,851	\$ 147,157	\$ 168,360	\$ 162,606	\$ 376,404
Prepaid costs	795	-	12,576	681	38,731	78,553	32,852	62,268	79,145	639,496
Restricted:										
Impact fees	35,093	114,299	188,418	199,549	629,237	554,641	316,224	1,434,748	1,377,798	1,341,321
Committed:										
Disaster recovery	-	-	-	-	-	-	-	-	500,000	3,000,000
Assigned:										
Appropriated for next year's budget	-	-	-	-	-	-	-	-	-	9,405,392
Capital projects and equipment	643,567	1,214,391	1,595,884	5,467,664	3,428,991	2,601,783	3,159,394	2,337,365	2,461,927	78,333
Liability claims	1,249,412	719,451	1,595,969	1,974,927	825,856	782,523	1,163,957	1,597,883	2,016,828	2,020,104
Workers' compensation claims	1,263,113	1,560,601	1,837,375	2,080,125	2,436,211	2,436,211	2,095,339	2,169,016	2,269,218	2,472,538
Land acquisition	115,996	100,000	100,000	68,574	68,574	68,574	68,574	68,574	68,574	68,574
Unassigned	8,838,322	11,541,766	12,878,350	13,972,463	17,014,464	19,393,802	25,013,469	27,015,338	29,183,119	18,045,725
Total general fund	12,372,782	15,476,992	18,408,594	23,949,213	24,645,502	26,070,938	31,996,966	34,853,552	38,119,215	37,447,887
All other governmental funds:										
Nonspendable:										
Prepaid costs	752,078	7,232	416,053	-	6,362	3,740	4,485	3,535	42,676	14,334
Restricted:										
Grant related	487,396	130,565	-	-	-	-	-	-	-	-
Debt service	221,486	244,360	31,511	139,339	113,003	115,913	117,017	92,082	92,733	92,733
Community Redevelopment	5,633,272	5,037,009	4,484,008	625,845	719,620	843,322	1,311,639	2,061,946	3,161,884	4,347,874
Interlocal agreements	1,126,663	1,278,569	1,302,212	580,165	1,472,246	1,831,817	1,916,135	1,515,659	1,256,820	231,157
Special taxing districts	-	-	-	-	-	-	-	-	241,885	344,861
Public safety	6,953,112	10,008,634	9,047,233	7,788,345	6,547,101	6,859,229	6,820,599	5,738,104	5,068,103	3,839,173
Committed:										
Alley restoration	258,871	257,143	258,102	273,623	274,175	293,382	293,382	293,383	293,383	293,383
Assigned:										
Capital projects and equipment	-	400,053	519,442	1,069,695	997,485	-	-	-	-	-
Unassigned										
Grant related	(689,088)	(159,390)	(135,807)	(71,131)	(74,483)	-	(66,333)	-	-	-
Debt service	(841,057)	(202)	(281,259)	-	-	(3,160)	(3,336)	(16,361)	(16,362)	(16,360)
Total all other governmental funds	13,902,733	17,203,973	15,641,495	10,405,881	10,055,509	9,944,243	10,393,588	9,688,348	10,141,122	9,147,155
Total governmental funds	\$ 26,275,515	\$ 32,680,965	\$ 34,050,089	\$ 34,355,094	\$ 34,701,011	\$ 36,015,181	\$ 42,390,554	\$ 44,541,900	\$ 48,260,337	\$ 46,595,042

Source: City of North Miami Beach

CITY OF NORTH MIAMI BEACH, FLORIDA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:											
Property taxes	\$ 16,263	\$ 12,552	\$ 13,300	\$ 12,364	\$ 12,869	\$ 13,752	\$ 14,067	\$ 16,470	\$ 17,346	\$ 19,671	\$ 21,680
User surcharges	-	-	-	-	-	-	7,164	8,571	7,164	8,626	8,993
Franchise fees	2,225	2,019	1,943	1,898	2,064	2,098	2,072	2,138	2,126	3,110	3,149
Utility taxes	2,680	2,751	2,794	2,936	3,162	3,209	3,336	3,406	3,566	3,663	3,636
Communication service tax	2,140	2,314	2,168	2,105	1,827	1,792	1,843	1,748	1,682	1,669	1,644
Other taxes	561	628	733	3,932	3,829	4,025	4,149	4,172	4,402	4,477	3,864
Licenses and permits	574	885	919	937	829	940	786	939	978	943	829
Intergovernmental revenue	6,761	7,518	7,288	4,391	4,321	4,319	4,841	5,334	5,465	6,064	6,534
Charges for services	11,571	12,210	869	2,130	1,786	1,809	1,847	1,570	1,793	1,768	1,215
Fines and forfeitures	1,465	4,874	6,547	2,658	1,349	2,005	3,183	2,842	3,030	3,368	1,968
Non-ad valorem assessments	-	-	-	-	-	-	-	-	-	706	657
Other	3,951	3,325	2,728	1,810	7,997	8,746	1,832	1,224	957	1,848	1,017
Investment income (losses)	353	131	223	(389)	700	382	146	176	295	1,112	857
Total revenues	48,544	49,207	39,512	34,772	40,733	43,077	45,266	48,590	48,804	57,025	56,043
Expenditures:											
Current:											
General government	15,237	13,116	10,498	10,052	10,384	12,873	13,179	13,300	16,506	16,037	19,246
Public safety	24,566	24,501	21,812	22,147	21,526	21,049	21,196	22,371	23,185	24,381	25,475
Library	-	-	-	-	-	-	-	839	937	1,058	1,043
Parks and Recreation	5,175	4,945	4,402	4,382	4,589	4,423	4,992	4,372	4,498	4,505	4,056
Public works	10,001	10,214	3,469	3,943	4,004	4,230	3,820	4,093	4,548	5,517	5,615
Capital outlay	6,310	5,897	1,675	2,754	3,864	4,985	6,055	3,708	4,018	5,323	5,952
Debt service:											
Principal	2,523	2,393	2,338	2,357	5,516	2,441	2,672	2,047	2,089	2,134	2,197
Interest and other fiscal charges	1,907	1,830	1,719	1,154	941	813	771	697	1,479	727	652
Total expenditures	65,719	62,896	45,913	46,789	50,824	50,814	52,685	51,427	57,260	59,682	64,236
Deficiency of revenues over expenditures	(17,175)	(13,689)	(6,401)	(12,017)	(10,091)	(7,737)	(7,419)	(2,837)	(8,456)	(2,657)	(8,193)
Other financing sources (uses):											
Transfers in	17,980	15,750	14,508	15,089	8,563	9,232	9,628	10,085	11,526	7,507	7,580
Transfers out	(4,926)	(1,981)	(1,752)	(1,703)	(1,017)	(1,287)	(878)	(872)	(919)	(1,095)	(1,138)
Lease proceeds	-	-	-	-	2,851	-	-	-	-	-	-
Debt issuance	517	14,835	8,190	3,719	-	120	-	-	-	-	-
Payment to escrow agent	-	(14,835)	(8,140)	(3,719)	-	-	-	-	-	-	-
Total other financing sources (use)	13,571	13,769	12,806	13,386	10,397	8,065	8,750	9,213	10,607	6,412	6,442
Net change in fund balances	(3,604)	80	6,405	1,369	306	328	1,331	6,376	2,150	3,755	(1,751)
Fund balances - beginning	29,800	26,196	26,276	32,681	34,050	34,356	34,684	36,015	42,391	44,505	48,346
Fund balances - ending	\$ 26,196	\$ 26,276	\$ 32,681	\$ 34,050	\$ 34,356	\$ 34,684	\$ 36,015	\$ 42,391	\$ 44,541	\$ 48,260	\$ 46,595
Debt service as a percentage of non-capital expenditures	7.46%	7.41%	9.17%	7.97%	13.75%	7.10%	7.38%	5.75%	6.70%	5.26%	4.89%

Source: City of North Miami Beach

CITY OF NORTH MIAMI BEACH, FLORIDA
NET ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year Ended September 30,</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Total Gross Assessed Value</u>	<u>Real Estate Exempt Properties</u>	<u>Total Net Assessed Value</u>	<u>Total Direct Tax Rate</u>
2011	\$ 1,684,317	\$ 121,656	\$ 1,024	\$ 1,806,997	\$ 3,137	\$ 1,803,860	7.8096
2012	1,610,062	130,944	1,060	1,742,066	2,968	1,739,098	7.8616
2013	1,608,856	128,634	872	1,738,362	(2,974)	1,741,336	7.6445
2014	1,612,382	127,560	1,056	1,740,998	6,785	1,734,213	7.7052
2015	1,741,749	126,088	1,229	1,869,066	3,000	1,866,066	7.6369
2016	1,882,680	116,515	1,392	2,000,587	4,444	1,996,143	7.5769
2017	2,216,752	112,628	1,540	2,330,920	178,620	2,152,300	7.3360
2018	2,413,847	120,213	1,617	2,535,677	11,046	2,524,631	7.1752
2019	2,800,223	130,600	1,635	2,932,458	236,878	2,695,580	7.0158
2020	3,266,071	129,421	3,546	3,399,038	300,884	3,098,154	6.8194

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Miami Dade County Property Appraiser's Office for Certification of Taxable Value for the City of North Miami Beach.

CITY OF NORTH MIAMI BEACH, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Overlapping Rates (1)										
	City of North Miami Beach			Miami-Dade County			Miami-Dade County School Board			Other Taxing Authorities & Special Districts	Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2011	6.6036	1.2060	7.8096	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	3.7538	25.6849
2012	6.6036	1.2580	7.8616	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	3.4335	24.3901
2013	6.6036	1.0409	7.6445	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	3.4261	24.0571
2014	6.6036	1.1016	7.7052	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	3.4078	24.2155
2015	6.6036	1.0333	7.6369	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	3.3508	24.0786
2016	6.6036	0.9733	7.5769	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	3.3164	23.6222
2017	6.5000	0.8360	7.3360	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	3.2909	23.0158
2018	6.4000	0.7752	7.1752	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	3.2375	22.4736
2019	6.3000	0.7158	7.0158	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	3.1878	22.0679
2020	6.2000	0.6194	6.8194	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	3.2002	22.3125

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

(1) Overlapping rates are those of local and county governments and other special taxing districts that apply to property owners within the City of North Miami Beach. Not all overlapping rates apply to all City of North Miami Beach property owners (i.e., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

Sources: Miami-Dade County Property Appraiser's Office.

CITY OF NORTH MIAMI BEACH, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)

Taxpayer	Type of Business	2020			2011		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
North MB Owner LLC	Multi Family Units	\$ 63,411	1	2.05%	\$ -	-	-
Dezer Intracoastal Mall LLC	Retail	58,000	2	1.87%	-	-	-
Southern Memorial Park	Special Use	46,860	3	1.51%			
Florida Power & Light	Utility	40,320	4	1.30%	40,934	1	1.59%
Biscayne Commons (Edens) LLC	Retail	31,800	5	0.63%	17,500	4	0.68%
Oleta Partners Biscayne	Retail	19,435	6	0.63%	-	-	-
Grand Island Square LLC	Retail	16,062	7	0.52%	-	-	-
Target Corp	Retail	15,873	8	0.51%	13,500	8	0.52%
Canal Park Office	Office Building	15,374	9	0.50%	-	-	-
No Miami Beach LLC	Mixed Use	15,185	10	0.49%	-	-	-
MSW Intracoastal Mall LLC	Retail				31,900	2	1.24%
A.SUR Net Inc	Telecommunications	-		-	24,376	3	0.95%
Klien Motors	Retail	-		-	17,035	5	0.66%
Costco Corporation	Retail	-		-	16,800	6	0.65%
Divine Square LLC	Condo	-		-	13,884	7	0.54%
Sonic Ward Inc (K-Mart)	Retail	-		-	12,600	9	0.49%
NMB Commerce Center	Office Building	-		-	10,877	10	0.42%
Total		\$ 322,320		10.00%	\$ 199,406		7.73%
Total assessed value				\$ 3,098,154			\$ 2,579,244

Source: Miami Dade County Property Appraisers Office.

CITY OF NORTH MIAMI BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended <u>September 30,</u>	Total Taxes Levied for Operating Purposes for <u>Fiscal Year</u>	Levied Taxes Collected within the Fiscal Year		Delinquent Tax Collections (1)	Total Tax Collections	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2011	\$ 11,912	\$ 9,978	84%	\$ 564	\$ 10,542	88%
2012	11,504	10,687	93%	531	11,218	98%
2013	11,479	10,642	93%	2	10,644	93%
2014	11,498	10,663	93%	384	11,047	96%
2015	12,343	11,918	97%	-	11,918	97%
2016	13,211	11,721	89%	491	12,212	92%
2017	15,159	13,923	92%	692	14,615	96%
2018	16,482	14,845	90%	633	15,478	94%
2019	18,474	16,823	91%	851	17,674	96%
2020	21,414	18,315	86%	1,363	19,678	92%

(1) Property Taxes are levied and collected by Miami-Dade County for all municipalities within the County. Information on delinquent taxes is not distributed by the County. Prior period delinquent real estate taxes are recorded as collections of the current year.

Source: City of North Miami Beach Certificate of Taxable Value.

CITY OF NORTH MIAMI BEACH, FLORIDA

WATER PRODUCED AND CONSUMED
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year Ended September 30,</u>	<u>Gallons of Water Produced by City's Norwood Treatment Plant (1)</u>	<u>Gallons of Water Purchased from Miami-Dade County WASA (1)</u>	<u>Gallons of Water Consumed (2)</u>	<u>Water Operating Revenue Collected</u>	<u>Direct Rate (3)</u>
2011	7,492,095	99	6,502,637	\$ 33,790	\$ 24
2012	7,570,517	82	6,509,654	27,890	23.84
2013	7,278,694	233	6,471,569	27,775	23.84
2014	7,586,722	237	6,368,875	27,547	26.11
2015	7,375,327	3,640	6,913,853	33,374	26.11
2016	7,380,058	585	6,490,459	31,511	26.11
2017	7,410,600	889	6,566,017	32,232	26.11
2018	7,556,118	107	6,624,810	31,656	26.11
2019	7,508,100	49	6,387,217	34,804	33.25
2020	7,718,835	273	6,338,872	35,979	43.45

Notes:

- (1) Gallons are presented in thousands.
- (2) Gallons are presented in thousands and includes bulk sales.
- (3) Direct rate used represents a typical single-family residential customer consuming 7,000 gallons per month. For 2019 Billing went from quarterly to monthly.

Sources:

- (1) & (2) City of North Miami Beach Water Department
- (3) City of North Miami Beach Finance Department

CITY OF NORTH MIAMI BEACH, FLORIDA

WATER RATE HISTORY LAST TEN FISCAL YEARS (MONTHLY)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
(1) Minimum Chg - Single Family:										
5/8"	\$ 9.78	\$ 9.78	\$ 9.78	\$ 10.71	\$ 10.71	\$ 10.71	\$ 10.71	\$ 10.71	\$ 10.71	\$ 13.70
3/4"	9.78	9.78	9.78	10.71	10.71	10.71	10.71	10.71	10.71	13.70
1"	24.75	24.45	24.45	26.78	26.78	26.78	26.78	26.78	26.78	34.25
1 1/2"	48.90	48.90	48.90	53.55	53.55	53.55	53.55	53.55	53.55	68.50
2"	78.34	78.24	78.24	85.68	85.68	85.68	85.68	85.68	85.68	109.60
3"	N/A									
4"	N/A									
6"	N/A									
8"	N/A									
10"	N/A									
Minimum Chg - Multi-Fam/Non-Residential:										
5/8"	\$ 11.32	\$ 11.32	\$ 11.32	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40	\$ 12.40
3/4"	11.32	11.32	11.32	12.40	12.40	12.40	12.40	12.40	12.40	12.40
1"	28.30	28.30	28.30	31.00	31.00	31.00	31.00	31.00	31.00	31.00
1 1/2"	56.60	56.60	56.60	62.00	62.00	62.00	62.00	62.00	62.00	62.00
2"	90.56	90.56	90.56	99.20	99.20	99.20	99.20	99.20	99.20	99.20
3"	181.12	181.12	181.12	198.40	198.40	198.40	198.40	198.40	186.00	186.00
4"	283.00	283.00	283.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00
6"	566.00	566.00	566.00	620.00	620.00	620.00	620.00	620.00	620.00	620.00
8"	905.60	905.60	905.60	992.00	992.00	992.00	992.00	992.00	992.00	992.00
10"	1,301.80	1,301.80	1,301.80	1,426.00	1,426.00	1,426.00	1,426.00	1,426.00	1,426.00	1,426.00
<u>(2) Conservation Increments (Blocks):</u>										
<u>Single Fam/Non-Resi</u>										
0 - 7 mgs	\$ 2.94	\$ 2.94	\$ 2.94	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.82
8 - 12 mgs	3.28	3.28	3.28	3.59	3.59	3.59	3.59	3.59	3.59	4.25
over 12 mgs	4.08	4.08	4.08	4.47	4.47	4.47	4.47	4.47	4.47	5.30
<u>Multi-family</u>										
0 - 5 mgs/unit	\$ 2.94	\$ 2.94	\$ 2.94	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.22	\$ 3.82
6 - 9 mgs/unit	3.28	3.28	3.28	3.59	3.59	3.59	3.59	3.59	3.59	4.25
over 9 mgs/unit	4.08	4.08	4.08	4.47	4.47	4.47	4.47	4.47	4.47	5.30

(1) Single family customers are charged minimum charge based on the meter size.

(2) Non-Residential customers are charged for all consumption based on the Tier Rates

CITY OF NORTH MIAMI BEACH, FLORIDA

PRINCIPAL WATER CUSTOMERS CURRENT YEAR AND NINE YEARS AGO

<u>Customer</u>	<u>Type of Business</u>	<u>2020</u>			<u>2011</u>		
		<u>Water Units Sold (MG)</u>	<u>Rank</u>	<u>% of Water Consumption</u>	<u>Water Units Sold (MG)</u>	<u>Rank</u>	<u>% of Water Consumption</u>
NEW DAIRY OPCO, LLC	Industrial	85,156	1	1.34%	-		-
PLAZA OF THE AMERICAS CLUB	Condominium	79,840	2	1.26%	38,497	9	0.59%
ARLEN, HOUSE E CONDO ASSOC	Condominium	64,016	3	1.01%	36,195	10	0.56%
WINSTON, TOWERS 200	Condominium	60,978	4	0.96%	-		-
INTRACOASTAL, YACHT CLUB	Condominium	50,818	5	0.80%	-		-
WILLIAMS, ISLAND OCEAN CLUB	Condominium	50,209	6	0.79%	40,422	8	0.62%
PLAZA DEL PRADO	Condominium	48,133	7	0.76%	47,904	4	0.74%
TRUMP, ROYALE	Condominium	47,572	8	0.75%	40,478	7	0.62%
SOUTH FLORIDA STADIUM LLC	Entertainment	47,364	9	0.75%	51,552	2	0.79%
PORSCHE, DESIGN TOWER	Condominium	45,080	10	0.71%	-		-
Miami-Dade Water & Sewer	Water Management District	-		-	60,981	1	0.94%
Commodore Plaza Condo Assoc.	Condominium	-		-	48,888	3	0.75%
Miami-Dade Water & Sewer	Water Management District	-		-	45,398	5	0.70%
Admirals Port	Condominium	-		-	42,561	6	0.65%
Total		<u>579,166</u>		<u>9.14%</u>	<u>452,876</u>		<u>5.16%</u>
Total Consumption				<u>6,338,872</u>			<u>6,502,637</u>

Source: City of North Miami Beach Engineering Department

CITY OF NORTH MIAMI BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities				Business-type Activities				Total	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Capital Leases	Redevelopment Notes	Revenue Bonds	Water Revenue Bonds	Stormwater Notes	Capital Leases	State Revolving Loans			
2011	\$ 29,332	\$ 595	\$ 6,889	\$ 5,097	\$ 68,486	\$ 1,672	\$ 591	\$ 5,140	\$ 117,802	\$ 2,772	13.73%
2012	28,079	94	6,445	4,629	66,540	1,607	276	6,382	114,052	2,654	14.67%
2013	22,090	-	6,000	3,879	65,306	1,444	-	5,996	104,715	2,421	12.94%
2014	20,995	2,851	2,083	3,711	62,938	1,276	2,725	6,204	102,783	2,354	12.25%
2015	19,855	2,155	1,917	3,122	60,495	1,106	1,790	16,567	107,007	2,434	13.10%
2016	18,660	1,448	1,750	2,518	57,889	931	1,384	21,996	106,576	2,394	12.07%
2017	17,430	729	1,583	1,906	55,230	753	698	20,619	98,948	2,178	10.97%
2018	16,150	-	1,417	1,283	52,470	571	-	20,524	92,415	2,026	9.79%
2019	14,820	-	1,250	645	49,640	385	-	20,184	86,924	1,894	9.16%
2020	13,435	-	1,083	-	105,962	194	-	19,016	139,690	3,246	13.97%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 146 for personal income and population data.

CITY OF NORTH MIAMI BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>			<u>Percentage of Assessed Property Value (1)</u>	<u>Per Capita(2)</u>
	<u>General Obligation Bonds</u>	<u>Less Amount in Debt Service</u>	<u>Net Amount</u>		
2011	\$ 29,332	\$ 131	\$ 29,201	1.68%	\$ 687
2012	28,079	244	27,835	1.60%	648
2013	22,090	166	21,924	1.26%	507
2014	20,995	139	20,856	1.20%	478
2015	19,855	31	19,824	1.06%	451
2016	18,660	31	18,630	0.93%	419
2017	17,430	31	17,399	0.81%	383
2018	16,150	0	16,150	0.64%	354
2019	14,820	0	14,820	0.55%	323
2020	13,435	0	13,435	0.43%	312

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Net Assessed Value of Taxable Property on Page 135 for net assessed property value data.
- (2) See the Schedule of Demographic and Economic Statistics on Page 146 for population data.

CITY OF NORTH MIAMI BEACH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020
(AMOUNTS EXPRESSED IN THOUSANDS)

	2020		
<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of North Miami Beach (1)</u>	<u>Amount Applicable to the City of North Miami Beach</u>
Debt repaid with property taxes:			
Miami-Dade County	\$ 2,260,964	1.02%	\$ 23,077
Miami-Dade County School Board	2,233	0.94%	21
Other debt:			
Miami-Dade County	2,395,810	1.02%	24,453
Miami-Dade County School Board	867	0.94%	<u>8</u>
Subtotal, Overlapping Debt			47,559
City of North Miami Beach Direct Debt			<u>14,518</u>
Total Direct and Overlapping Debt			<u>\$ 62,077</u>

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using net taxable assessed property values. It is calculated by taking the value that is within the City's boundaries and dividing it by the County's and School Board's total net taxable assessed value. This approach was also used for the other debt.

CITY OF NORTH MIAMI BEACH, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended September 30,	Transit Surtax Bonds - Series 2013					Community Redevelopment - CRA				
	County Transit Surtax	Debt Service		Coverage	TIF + Interest Revenue	Principal	Interest	Coverage		
		Principal	Interest							
2011	\$ 1,261	\$ 440	\$ 248	1.83	\$ 1,139	\$ 444	\$ 139	1.95		
2012	1,409	450	235	2.06	481	444	109	0.87		
2013*	1,494	465	219	2.18	550	445	122	0.97		
2014	1,566	485	127	2.56	425	167	35	2.10		
2015	1,660	569	56	2.66	426	167	34	2.12		
2016	1,733	582	46	2.76	694	167	32	3.49		
2017	1,904	588	36	3.05	1,023	167	28	5.25		
2018	1,725	599	27	2.76	1,340	167	38	6.54		
2019	1,945	613	16	3.09	1,748	167	41	8.40		
2020	1,706	620	5	2.73	2,601	167	29	13.27		

Fiscal Year Ended September 30,	Stormwater - Series 2011A					Water Utility Bonds - Series 2012, 2015 and 2020B				
	Operating Revenue Less Operating Expense	Debt Service		Coverage	Gross Revenue Less Operating Expense	Principal	Interest	Coverage		
		Principal	Interest							
2011**	\$ 684	\$ 214	\$ 5	3.12	\$ 23,262	\$ 1,445	\$ 3,217	4.99		
2012	685	65	15	8.56	19,813	1,505	2,546	4.89		
2013	910	164	35	4.57	16,925	1,565	2,485	4.18		
2014	943	167	31	4.76	15,610	2,030	2,595	3.38		
2015	710	171	28	3.57	24,439	2,104	2,536	5.27		
2016	267	174	24	1.35	11,656	2,189	2,365	2.56		
2017	333	178	20	1.68	11,621	2,332	2,275	2.52		
2018	640	182	16	3.22	9,401	2,434	2,178	2.03		
2019	647	186	12	3.26	12,297	2,503	2,113	2.65		
2020	722	190	8	3.64	17,789	3,583	1,876	3.25		

Fiscal Year Ended September 30,	State Revolving Loan - Water					State Revolving Loan - Sewer				
	Gross Revenue Less Operating Expense	Debt Service		Coverage	Gross Revenue Less Operating Expense	Principal	Interest	Coverage		
		Principal	Interest							
2011	\$ 23,262	\$ 9	\$ 6	1,550.80	\$ 8,240	\$ 25	\$ 11	228.89		
2012	19,813	162	112	72.31	6,119	81	34	53.21		
2013	16,925	364	238	28.11	5,771	264	84	16.58		
2014	15,610	497	233	21.38	4,891	254	125	12.91		
2015	24,439	829	443	19.21	3,454	425	179	5.72		
2016	11,656	829	444	9.16	1,005	426	179	1.66		
2017	11,621	857	444	8.93	1,944	469	136	3.21		
2018	3,593	919	383	2.76	(3,308)	493	111	(5.48)		
2019	12,297	854	267	10.97	2,651	322	130	5.87		
2020	17,789	774	357	15.73	2,726	394	110	5.41		

Fiscal Year Ended September 30,	Sewer Loan - Series 2020				
	Operating Revenue Less Operating Expense	Debt Service		Coverage	
		Principal	Interest		
2020	\$ 2,726	\$ -	\$ 15	181.73	

Note *: Capital Improvement Bonds 2003B Series was refunded in 2013.
 Note **: Stormwater Series 2011A refinanced in 2011. Previously Commercial Paper loan.
 Source: City of North Miami Beach

CITY OF NORTH MIAMI BEACH, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in Thousands) (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>Unemployment Rate (3)</u>
2011	42,504	858,113	20,189	37.0	10.8%
2012	42,971	777,646	18,097	36.4	8.8%
2013	43,250	809,251	18,711	35.6	8.1%
2014	43,664	839,135	19,218	36.3	6.8%
2015	43,971	817,025	18,581	37.8	6.6%
2016	44,512	883,341	19,845	38.1	5.2%
2017	45,437	901,924	19,850	37.7	4.5%
2018	45,612	943,667	20,689	36.4	3.8%
2019	45,887	948,943	20,680	38.5	3.1%
2020 (4)	43,041	999,885	23,231	37.2	10.9%

Sources:

- (1) Estimated by City of North Miami Beach Economic Development (for years 2008 to 2011). U S Census Bureau 2012 - 2019.
- (2) United States Census Bureau.
- (3) U.S. Bureau of Labor Statistics.
- (4) The drastic increase in the unemployment rate reflects the ramifications of the COVID-19 pandemic.

Note: Population information is based on surveys conducted during the last quarter of the calendar year. Unemployment Personal income information is a total for the year.

CITY OF NORTH MIAMI BEACH, FLORIDA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Vitas Innovative Hospice Care	1,224	1	N/A	N/A
Jackson North Medical Center	1,111	2	1,200	2
City of North Miami Beach	483	3	N/A	N/A
Publix	287	4	1,900	1
Bryant Security Corporation	213	5	N/A	N/A
Winn Dixie	170	6	N/A	N/A
Accessible Home Health Care	150	7	N/A	N/A
IPIC Theaters	130	8	N/A	N/A
Lopefra Corp	110	9	N/A	N/A
P.F. Chang's	106	10	N/A	N/A
Aventura Hospital & Medical Center	N/A		800	3
FMS Management Systems	N/A		800	3
Sysco Food Services	N/A		500	5
Precision Response	N/A		500	5
Comcast Cable Vision	N/A		450	7
Wal-Mart	N/A		300	8
Turnberry Associates	N/A		200	9
TD/Wells Fargo	N/A		150	10
Total	<u>3,984</u>		<u>6,800</u>	

Special Note: The above list includes private and public employers in the Greater North Miami Beach area. City of NMB total includes 142 part-timers.

CITY OF NORTH MIAMI BEACH, FLORIDA
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of employees:										
Attorney's office	5	5	5	5	6	6	6	6	5	5
Clerk's office	6	4	4	4	4	4	4	4	4	4
Mayor and Council's office	2	-	-	1	1	1	1	0	0.3	1.5
Executive	8	18	18	25	27	27	31.5	35.5	33.7	36.5
Human Resources	6	6	6	6	6	6	11	8	8	8
Financial Services	44	12	12	12	12	13	11	12	13	14
Police:										
Police Officers	110	85	85	110	106	105	108	113	113	113
Civilians	45	35	34	20	36	36	34	35	35	38
Library	9	7	7	7	7	6	8	8	8	9
Parks and R.E.C.	36	30	28	32	28	28	29	29	29	31
Public Works	76	21	34	34	36	32	34	35	37.5	37.5
Stormwater	10	8	9	9	6	4	4	5.5	5.5	5
Water	101	115	86	90	91	92	84	4	4	9
Sewer	13	11	11	13	14	14	13	-	-	-
Building Permit	10	10	9	12	13	13	14.25	14.5	14	15
Solid Waste	-	50	53	48	46	18	14.25	13.5	14	14.5
Customer Service	-	-	21	21	23	26	22	-	-	-
Total number of employees	481	417	422	449	462	431	429	323	324	341

Source: City of North Miami Beach annual budgets

CITY OF NORTH MIAMI BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public safety:										
Police (2):										
Police calls for service	88,986	92,057	85,839	82,997	97,366	98,684	100,883	98,304	98,809	68,669
Parking citations	1,338	907	986	1,256	1,474	1,316	1,332	1,351	1,368	744
Traffic citations	13,293	5,650	4,842	4,399	5,757	5,726	5,949	5,145	5,644	1,989
Arrests	1,880	1,466	1,322	1,562	1,561	1,600	1,453	1,351	1,491	665
SRT call outs	48	39	24	53	52	13	12	27	26	14
Community development:										
Building permits issued (3)	4,985	4,872	3,165	2,714	2,878	3,712	3,584	3,180	3,537	769
Library:										
Number of registered borrowers	38,663	35,465	31,572	36,955	38,410	36,410	38,541	38,828	39,299	39,336
Total annual circulation	85,292	100,651	113,935	120,741	135,487	136,532	150,773	226,347	271,320	198,743
Total reference transactions	67,888	37,378	24,960	105,574	94,210	94,241	93,632	92,928	91,837	74,055
Annual number of users of public internet computers	43,320	56,750	68,365	56,903	68,892	69,630	69,718	69,889	83,265	58,336
Parks and recreation:										
After school program enrollment (3)	280	232	300	287	302	300	256	272	349	261
Summer camp program enrollment (3)	505	382	500	519	588	556	554	442	574	48
Camp No-Mi-Be enrollment (1)	113	78	54	55	n/a	n/a	n/a	n/a	n/a	n/a
Sanitation:										
Refuse collected (tons / year)	32,583	33,952	34,639	36,285	34,718	28,788	32,559	42,644	44,954	40,698
Water:										
Number of customers	32,125	32,298	34,397	32,522	32,047	32,424	34,053	39,700	32,579	32,507
Average daily water consumption (millions of gallons)	20.53	20.74	19.94	19.07	20.21	20.22	20.30	20.70	17.50	21.09
Annual water produced (millions of gallons)	7,492	7,571	7,279	6,960	7,375	7,380	7,410	7,556	7,508	7,806
Sewer:										
Number of customers	7,449	7,522	7,627	7,662	7,645	7,754	8,003	8,058	7,804	7,783

(1) Camp No-Mi-Be was eliminated in FY15.

(2) Police numbers for FY 19 are based on estimates.

(3) The numbers reflect the impact of COVID-19 due to the worldwide pandemic of 2020

Sources: Various city departments

CITY OF NORTH MIAMI BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government:										
General government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations (operated by Miami-Dade County)	2	2	2	3	3	3	3	3	3	3
Library:										
Libraries	1	1	1	1	1	1	1	1	1	1
Print materials in catalog	79,664	76,634	66,366	56,567	55,563	55,091	46,227	33,642	50,960	48,587
Number of licensed databases	64	96	51	50	64	66	74	74	74	55
Audio materials volumes	4,481	4,143	3,266	2,415	1,405	1,162	1,290	1,300	1,396	2,841
Video materials volumes	6,737	6,263	5,743	4,156	4,269	4,230	5,748	5,758	4,405	5,424
Parks and R.E.C.:										
Parks	26	26	26	26	26	27	27	28	28	28
Senior centers	1	1	1	1	1	1	1	1	1	1
Municipal swim centers	3	3	3	3	3	3	3	3	3	3
Tennis centers	1	1	1	1	1	1	1	1	1	1
Recreational centers	5	5	5	5	5	5	5	5	5	5
Performing arts centers	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1
Parks acreage	86.0	86.0	86.0	86.0	86.0	87.0	87.0	88.0	88.0	88.0
Streets:										
Miles of streets and alleys	119.0	119.0	119.0	119.99	119.99	119.99	120.0	119.99	120.0	119.99
Water:										
Water mains (miles)	549	550	550	550	550	555	603	605	566	565
Fire hydrants	2,770	2,800	2,900	2,930	2,945	2,959	3,052	3,052	3,062	3,072
Valves	10,310	10,350	10,350	10,425	10,705	10,996	11,000	11,627	11,682	11,331
Sewer:										
Lift stations	35	33	35	33	33	33	35	35	35	35
Sewer mains (miles)	109	113	113	114	112	113	132	132	132	131

Sources: Various city departments

IV. COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Commission
City of North Miami Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the Retirement Plan for General Employees and the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 30, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Commission
City of North Miami Beach, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of North Miami Beach, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Report on Internal Control over Compliance (Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 30, 2021

CITY OF NORTH MIAMI BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA	Federal Grant or Identifying Number	Expenditures
Highway Planning and Construction Cluster - Cluster			
<i>U.S. DEPARTMENT OF TRANSPORTATION</i>			
Pass through Florida Department of Transportation (FDOT)			
Highway Planning & Construction			
Highway Planning & Construction - Greynolds Park Bike Path - LAP	20.205	G1847	\$ 175,907
Total Highway Planning and Constructon Cluster - Cluster			\$ 175,907
Highway Safety Cluster			
Pass through FDOT/University of North Florida Training & Services Inst.			
State and Community Highway Safety	20.600	G1B36	\$ 7,129
Pass through National Highway Traffic Safety Administration			
Passed through National Council Safety			
NHTSA Discretionary Safety Grants - Road to Zero Support	20.614	DTNH2215HO0473-0002	79,573
Total Highway Safety Cluster - Cluster			86,702
Total U.S. Department of Transportation			\$ 262,609
Other Programs:			
<i>U.S. DEPARTMENT OF HOMELAND SECURITY</i>			
Pass through Florida Division of Emergency Management (FDEM)			
Disaster Grants - Public Assistance (Hurricane Irma)			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1143	\$ 2,516,213
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)			2,516,213
Total U.S. Department of Homeland Security			\$ 2,516,213
U.S. DEPARTMENT OF JUSTICE			
Equitable Sharing Program (Non-treasury)	16.922	N/A	\$ 1,234,237
Total Equitable Sharing Program			\$ 1,234,237
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1336	\$ 11,334
Total Coronavirus Emergency Supplemental Funding Program			\$ 11,334
Bulletproof Vest Partnership Program			
Bulletproof Vest Partnership Grant	16.607	2018-BUB	\$ 6,556
Bulletproof Vest Partnership Grant	16.607	2019-BUB	1,383
Total Bulletproof Vest Partnership Program			\$ 7,939
Pass Through Office of the Attorney General			
Crime Victim Assistance - (VOCA) 2018-2019	16.575	VOCA-2018-CNMB-00129	\$ 44,950
Total Crime Victim Assistance			44,950
Total U.S. Department of Justice			1,298,460
Total Other Programs			3,814,673
Total Expenditures of Federal Awards			<u>4,077,282</u>

CITY OF NORTH MIAMI BEACH, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant expenditure activity of the City of North Miami Beach (the "City") for the fiscal year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance) and cost principles applicable to the Equitable Sharing Program. Because the Schedule presents only a selected portion of the operations of the City, it's not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE 4 - INDIRECT COST RECOVERY

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF NORTH MIAMI BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal control over financial reporting:
 Material weakness(es) identified?

___ Yes X No

Significant deficiencies identified?

___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified?

___ Yes X No

Significant deficiencies identified not considered to be material weakness(es)?

___ Yes X None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

___ Yes X No

Identification of major programs:

CFDA No.

Federal Program or Cluster

97.036

Disaster Grants - Public Assistance (Hurricane Irma)

16.922

Equitable Sharing Program (Non-treasury)

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

Auditee qualified as low risk auditee for audit of federal awards programs?

X Yes ___ No

CITY OF NORTH MIAMI BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – MAJOR FEDERAL PROGRAM FINDINGS AND QUESTIONED COSTS

None.



**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and Members of the City Commission
City of North Miami Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of North Miami Beach (the “City”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 30, 2021. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Retirement Plan for General Employees and the Retirement Plan for Police Officers and Firefighters of the City of North Miami Beach, Florida.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 30, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In accordance with our audit, corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements. The City included the following blended component unit: The North Miami Beach Community Redevelopment Agency (the CRA).

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State awarding agencies, the Mayor, Members of the City Commission and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 30, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF
SECTION 218.415 FLORIDA STATUTES**

Honorable Mayor and Members of the City Commission
City of North Miami Beach, Florida

We have examined City of North Miami Beach, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the City is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of management, the Mayor, the City Commission, others within the City and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 30, 2021